TOTAL QUALITY MANAGEMENT AND PERFORMANCE OF INSURANCE COMPANIES IN MOMBASA COUNTY KENYA

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JULY, 2018
DECLARATION

This project is my original work and has not been presented for a degree in any other university or any other award.

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D53/MSA/PT/27256/2014

This project was done by the candidate under my supervision as the appointed University Supervisor

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DEDICATION

I dedicate this research project to my family and friends. I would also like to dedicate this research project to insurance companies in Mombasa County Kenya for their cooperation and of which I expect the findings of the research to be beneficial to them.
ACKNOWLEDGEMENT

First, my gratitude goes to the Almighty God for His mercies and grace and for giving me confidence and encouragement laced with strength, knowledge and vitality that has guided me throughout my academic journey which concluded with making this research project a reality.

Secondly, I wish to express my sincere gratitude and very special thanks to my graduate supervisor, Dr. Lawrence Wainaina, for his immeasurable guidance, support, encouragement and time input that he has given me, without which this research project would not have been the same.

Finally, I extend sincere appreciation to my classmates and staff at Kenyatta University, and my colleagues at work for the assistance they extended to me in one way or the other during the period of undertaking my graduate studies.

May the almighty God bless them all.
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LIST OF ABBREVIATIONS

AKI  Association of Kenya Insurers

GDP  Gross Domestic Product

IRA  Insurance Regulatory Authority

ISO  International Organization for Standardization

KAM  Key Account Management

PDCA Plan-Do- Check- Act

SME’S Small and Medium Enterprises

SPSS Statistical Package for Social Sciences

TQM  Total Quality Management
## OPERATIONAL DEFINITION OF TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td><strong>Total Quality Management</strong></td>
<td>A system of management based on the principle that every staff member must be committed to maintaining high standards of work in every aspect of a company’s operations.</td>
</tr>
<tr>
<td><strong>Customer Focus</strong></td>
<td>Refers to the organizational stance in which all aspects of a company's production and delivery of goods or services are directed by the best interests of the customers.</td>
</tr>
<tr>
<td><strong>Employee Empowerment</strong></td>
<td>Refers to the act of giving employees a certain degree of autonomy and responsibility for decision-making regarding their specific organizational tasks.</td>
</tr>
<tr>
<td><strong>Organizational Culture</strong></td>
<td>Refers to a system of shared assumptions, values and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act and perform their jobs.</td>
</tr>
<tr>
<td><strong>Management Commitment</strong></td>
<td>Engaging in and maintaining behaviors that help others achieve a goal.</td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td>The action or process of performing a task or function seen in terms of how successfully it is performed.</td>
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ABSTRACT

Insurance companies in Kenya have continuously performed poorly with some collapsing leading to losses to the stakeholders. This has necessitated the need to examine the management practices employed by the insurance companies. This study examined the application of Total Quality Management (TQM) practices in administration of insurance companies. The study employed quality management theories as the theoretical underpinning. The main purpose of this study was to examine the relationship between total quality management and the performance of insurance companies in Mombasa County. The specific objectives of the study were to establish the relationship between; customer focus, employee empowerment, organizational culture, management commitment and performance of insurance companies in Mombasa county Kenya. The finding of the study shows that embracing insurance companies streamlines the operational framework of insurance companies which enhances overall productivity and performance. The target population for this study comprised of first line employees within insurance companies in Mombasa County Kenya. The study used both stratified and random sampling techniques to come up with the sample. A number of 108 participants made up the sample size. A structured questionnaire which comprised of closed questions, was used as the primary tool for data collection. The study was conducted for a period of one month and a total of 90 respondents correctly filled the questionnaires. The study used both correlation research design and descriptive research design as the foundational process for gathering field data and subsequent data analysis. The study makes a finding that customer focus wields significant influence on the performance of insurance companies. The study makes a finding that employee empowerment plays an important role in building a strong performing insurance company. The study established that organizational culture is a significant factor that wields significant influence on the performance of insurance companies. The study found that management commitment wields a marginal effect on the performance of the insurance companies. The study concludes that, TQM factors notably; customer focus, employee empowerment, organizational culture and management commitment have quantifiable statistical effect on the performance of insurance companies within Mombasa County Kenya. On customer focus, the study recommends that insurance companies commit a significant amount of financial resources towards sponsoring market research programs whose main task will be to observe and map out customer patterns. On employee empowerment, the study recommends insurance companies should devise employee motivation strategies that would enhance the levels of employee commitment towards delivery of success for the organization. To reform the organization culture practice within insurance companies, the study recommends for adoption of future oriented approach towards adoption of strategic approaches through the investments on innovation. Management of insurance companies embrace structured management practices which illustrates a clear delimitation in operational obligations.
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Modern day business environment is replete with overarching drivers that are central to the survival and continued operational excellence. Total Quality Management (TQM) has remained a giant corporate factor in the execution of primary organizational tasks relating to operational service delivery and advancing quality standards in organizational processes (Androniceanu, 2017; Asaluzzaman, Hossain & Rahman, 2014; Nallusamy, 2016). TQM has been revered as organizational performance enhancement subscription that has been active since time in memorial. Evidence from the manufacturing sector has demonstrated valuable support that management can leverage in consolidation efforts geared towards advancing organizational competitive edge (Palm, Lilja & Wilklund, 2016).

Quality in service delivery is achieving and even exceeding customer expectations (Kungu, 2017). The quality of a product or service involves combining all institutional processes to ensure customer’s expectations are met. Quality is achieved by efficiency in processes deemed satisfactorily to the customer (Nassae, Yahaya & shorum, 2015). Quality is analyzed by the loss the society suffers while the product is being shipped. Quality is simply meeting the requirements. Total quality management generally improves the overall performance of organizations (Sadikoglu & Olcay, 2014).

Currently there are some trends in total quality management whereby many organizations are now focusing on meeting quality standards with a view of improving their efficiency leading to
lower costs, ensuring they make marketable products or services and thus improving the organization performance. Many organizations are working on being ISO (international standards on quality) certified. Studies have been done to establish the relationship between total quality management and performance of organizations. In most cases total quality management has been found to improve significantly the performance of organizations. However, no study has been done to establish the relationship between total quality management and performance of insurance companies in Mombasa county Kenya. Struggling or liquidated insurance companies lead to great losses to the stakeholders.

1.1.1 Total Quality Management (TQM)

Total Quality Management (TQM) in corporate spectrum centers on organizational administration model that combines numerous organizational components, such; marketing, finance, design, production etc (Abdallah, 2013; Hashmi, 2010). in effort to solely focus on realization of corporate objectives. This philosophy stresses for the need of the organization to continuously and consistently enhance organizational processes, through embracing knowledge and skills of its labor force. The key principle of TQM is to advance sustained operational excellencies (Keng & Hamzah, 2011). This study evaluates the effect of TQM variables, namely; customer focus, employee empowerment, organizational culture and management commitment on the performance of insurance organizations.

Evidence from Powell (2010) demonstrated the importance of TQM in facilitating extensive overview of the market utilizing smart and intelligent approaches. This evidence highlights the importance of gaining such information in enhancing understanding of the market on which intelligent strategies organizations can adopt to achieve better performance. Sahoo and Das (2011), examined TQM strategy by recognizing the importance of employee talents, noting that
through appreciation of employee contribution in realization of organizational objectives, helped in eliminating possibilities of dissatisfaction, which is good for sustained operational performance. In addition, suggested models of employee appreciation include; training and skills upgrade, counseling and imparting progressive work ethics.

Watkins (2013) outlines hierarchical culture as, culture is predictable, noticeable examples of conduct in associations. Culture is effectively molded by motivators i.e. the best indicator of what individuals will do is the thing that they are boosted to do. Culture is a procedure of sense making in associations i.e. a joint effort procedure of making shared mindfulness and comprehension out of various people points of view and shifted interests. Further, culture is about the story in which individuals in the association are inserted and the qualities and the ceremonies that fortify that account.

Customers are the primary buyer of the products or services that an organization produces. A corporate organization can only survive in a complex and competitive economic sector if it’s able to attract the correct customers (Cai, 2009). Attracting customers is one thing, but the most complex aspect about it, is the ability to retain them for the long haul of the business existence. Kuppler (2013) acknowledged that, it’s validly possible to retain customers as long as they accrue value in what they are being offered. TQM employs the concept of continued quality improvement which is critical in sustaining quality and value of products and service. Focusing on employee value by offering them the best quality is likely to build the prospect of retaining them (Asikhia, 2010).

Corporate organizations center operational activities within the formal organizational operational plan as hinged in the company corporate objectives. One critical operational factor is the
employee role. An organization is likely to achieve its corporate objectives, based on the work force that is responsible for delivering these goals (Meyerson & Deweltinck, 2012). Within the TQM spectrum, employee role is rated as critical. The continued improvement in service and production quality, a central tenet of TQM, will be corresponded by an equal commitment to employee contribution. Therefore, corporate organizations, seeking continued operational prosperity, must facilitate ambient working environment for its employees for them to deliver, their optimal capabilities in their job responsibilities (Karimi & Murimi, 2015).

Evidence from past literature, places organization culture as the main ingredient necessary in building the corporate environment and define vision, mission, obligation, values and goals that an organization will seek to pursue (Bashayreh, 2014; Chepkemoi, 2014; Nag, 2011; Nagel, 2006). For an organization to conform, the primary TQM principles of continued operational success must consider alignment of these principles with the organizational culture. Organization culture, anchors the overall social environment that can be considered to be the pillar of corporate operational environment (Dizgah et al., 2012). This highlights a need to evaluate, the underlying effect of organizational culture towards implementation and integration of TQM model within an organizational operational framework.

Having a dynamic and diversified management team, forms an important combination for the organization in pursuit of its corporate objectives (Kilombo, 2016). TQM requires persistent and highly motivated management team to successfully implement it to its desired conclusion. Lee and Lee (2013) insisted that, the motivation of management team to commit their full energy towards the implementation of strategic programs, integration of TQM strategy will be central in its success. This indicates that, it’s highly useful to examine the importance of management
commitment towards the implementation of TQM principles within the scope of organization operations.

Powell (2010) analyses the work of (Kohli & Jawarski, 1990) and favors conceptualization of customer focus with three dimensions which include; Intelligence generation i.e. the ability of firms to gather and understand customer preferences and needs along with the market forces affecting the needs and preferences now and in the future. Other customer focus dimensions include; Intelligence dissemination i.e. communicating, disseminating and sometimes even selling market intelligence to all relevant departments and individuals in the organization (Ahmed & Emad, 2015). Further, aspects of responsiveness, which involves an organization changing processes, products and services based on good market intelligence to realize the rewards of being a market oriented company (Abdallah, 2013).

Employee empowerment involves getting information and ensuring it is provided to all the employees for decision making (Degago, 2014). For employees to be empowered, authority must be delegated to them to make decisions and especially in opportunities which have the greatest impact on the organization, (Sahoo & Das, 2011). Employees should be recognized and rewarded for the achievements they make when they are empowered (Gugel, 2016).

Organizational culture which supports total quality management involves one which enables employees to be innovative in their duties as well as allowing them to take risks with a view of achieving more and/or solving the problems, (Nagel, 2016). The organizational culture should be outcome oriented i.e. focusing on results rather than the processes to be followed to achieve the desired results, (Kuppler, 2013). The organization should focus on tackling tasks as teams rather than as individuals in order to achieve synergy, (Sponaugle, 2014).
1.1.2 Performance of Insurance Companies

Oxford dictionary defines an organization as an organized group of people with a particular purpose. It proceeds to define performance as the action or process of performing a task or function seen in terms of how successfully it is performed. James (2012) describes high organizational performance as when all the parts of an organization work together to achieve great results with results being measured in terms of the value they deliver to customers. Various performance aspects notably; strategic objectives, organization structure, business performance, resources allocation, organization culture and reward structure can be utilized in assessing the level of organizational performance (Hooi & Ngui, 2014).

For insurance companies the component of organizational strategic objectives provides the direction in which everyone within the corporate organization should lead, whereas organizational structure highlights the form which the organization delivers its services (Felicio, Couto & Caiado, 2014). Furthermore, the component of business performance measures represents the yardstick by which each all organization’s corporate front will be assessed. The allocation of resources highlights organizational processes which relate to the decision making approach that takes place within an organization (Gautam, 2015). Organization culture represents values, culture and guiding principles which relate to the uniqueness of an organization whereas reward structures reinforce the culture and direct efforts to support the achievement of strategic objectives (Ahmad, 2012).

According to Richard (2009), performance of an organization is analyzed in three ways i.e. Financial performance, product market performance and shareholder return. Financial performance is the extend of achieving organizational financial objectives. The outcomes are evaluated in monetary terms. Financial performance is simply the financial health status of an
organization (Verma, 2017). Product market performance of a firm is analyzed in form of sales revenue, market share, profitability, competitive advantage, customer satisfaction and loyalty. Market performance is composed of production efficiency, Distribution efficiency, and finally technological progressiveness. Shareholder return is simply nominal capital growth, i.e. share price increase plus dividends.

1.1.3 Insurance Companies in Mombasa County Kenya

Insurance companies in Mombasa are mandated to provide protection against risk of financial loss to policy holders. Recent data from the Kenya National Bureau of Statistics (KNBS) shows that Mombasa County has 49 insurance companies of which 36 insurance companies focus on general insurance while 21 insurance companies undertake life insurance (KNBS, 2017). Insurance companies in Mombasa and the remainder of the country are regulated by insurance regulatory authority of Kenya which is a government body. The minimum capital for general and life insurance companies in Kenya is 600 and 400 million Kenya shillings respectively, (Kenya finance Bill, 2015).

The insurance penetration in Mombasa is still low at 2.93 % which also is the same percentage for the whole country i.e. the percentage of insurance in relation to the GDP of Kenya. This signifies huge potential market which is yet to be tapped. This potential is also indicated by the number of Insurance Multi nationals who are entering the Kenyan Market. For example, Local companies like mercantile, phoenix, shield, cannon, Resolution, Real have been acquired by Saham group of Morocco, Union insurance of Mauritius, Prudential PLC. UK, Metropolitan South Africa, Leap frog Investments and Britam Investment group respectively, (AKI insurance industry Annual Report, 2014). Also, some other mergers and acquisitions were completed in 2015, old mutual group of South Africa acquired Kenya’s UAP holdings while Barclays PLC
Africa acquired Kenya’s first assurance company Limited and Pan Africa insurance holdings of South Africa acquired gateway insurance company limited.

The Insurance Regulations Authority has come up with several strict regulations for insurance companies starting from registration of insurance companies; handling of insurance company deposits; management of assets, liabilities, solvency margins and investments; accounts, balance sheets, audit and actuarial investigations; inspection and control of insurers; management and expenses; rates, policy terms and claims settlement (Kenya Insurance Act, 2015). The social concerns of performance of Insurance companies in Mombasa are various. According to Mudaki, Wanjere, Ochieng and Odera (2012) a steady and dynamic insurance industry of any nation in addition to other things furnishes the populace with true serenity in execution of their everyday financial exercises and lifts speculator certainty. It is from these ventures that administrations can create incomes to back their activities that may prompt easing of yearning, neediness, accomplish all inclusive essential instruction and by and large raise the way of life of its populace.

Policy holder’s compensation fund of Kenya (2013) highlights effects of collapsed insurer due to poor performance as; Shareholders lose their investment, Employees lose their jobs and income, suppliers lose revenue for goods and services, the sector i.e. both insurance and financial are viewed unstable and to the government it portrays poor economic performance. The policy holder suffers most, the effects of collapsed insurer to the policy holder include; exposure to risks, Loss of premiums, loss of assets and savings, litigation, reduced benefits and negative perception of the insurance industry.
1.2 Statement of the Problem

Kenyan insurance penetration rate in relation to the GDP stood at 2.93% while that of South Africa stood at 14.1% (AKI ,2014). From the two comparisons it is clear that the Kenyan insurance industry performed poorly. Several insurance firms have collapsed in the last decade including, Lake star, Standard, Stallion, United, Concorde, BlueShield and Invesco Insurance. Only Invesco insurance has been revived so far (Okulo, 2015). From the trend it means almost every year an insurance company collapses. According to AKI (2014), 11 insurance companies did losses representing 23% of the total number of insurance companies. This is a high percentage which might threaten the insurance industry fulfilling its mandate.

Ndung’u (2013) points out the closure of at least five insurance providers were due to insolvency arising from high claims. According to Wahome (2013), Insurance companies which have survived, the underwriting profits have averaged 3% due to increased fraudulent claims and underpricing for survival. Standard and Poor (2013) points out that insurance companies generally struggle financially or collapse because of poor liquidity management, management & governance issues, under reserving, underpricing, a high tolerance for investment risk and difficulties related to rapid growth.

Several studies done across the world researching on the relationship between total quality management and performance of insurance companies have shown a positive relationship. Some of the studies include, Lee and Lee (2013) researched on effects of total quality management and organizational learning on business performance in Taiwanese insurance industry and found out that total quality management had a positive effect on business performance. Dizgah, Hossein and Farshad (2012) researched on the relationship between total quality management practices and organizational performance in insurance industry of Guilan province and found out the
relationship between total quality management practices and organizational performance as being positive. Ahmed and Amir (2015) researched on the relationship between total quality management and financial performance of banks, insurance companies and active investment companies in Iran. The results of the study showed that there was a significant and positive relationship between total quality management and financial performance of banks, insurance companies and investment companies.

The above studies were done in other countries; the market dynamics in those countries are totally different from the market dynamics in Mombasa County Kenya. This means the findings in those studies can’t be generalized to fit in the insurance companies in Mombasa County Kenya. This is the gap which the study intended to fill. The study sought to assess the effect of total quality management on the performance of insurance companies in Mombasa County under market conditions of Mombasa County. The findings have established a positive association between Total Quality Management (TQM) and the performance of insurance companies within Mombasa County.

1.3 Objective of the Study

1.3.1 General Objective

The purpose of the study was to determine the relationship between total quality management (TQM) and performance of insurance companies in Mombasa County, Kenya.

1.3.1 Specific Objectives

i) To assess the influence of customer focus on the performance of insurance companies in Mombasa County, Kenya.
ii) To examine the effect of employee empowerment on the performance of insurance companies in Mombasa County, Kenya.

iii) To determine the effect of organizational culture on the performance of insurance companies in Mombasa County, Kenya.

iv) To evaluate the effect of management commitment on the performance of insurance companies in Mombasa County, Kenya.

1.4 Research Questions

i) To what extent does customer focus influence the performance of insurance companies in Mombasa County, Kenya?

ii) In which way does employee empowerment affect the performance of insurance companies in Mombasa County, Kenya?

iii) To what extent does organizational culture influence the performance of insurance companies in Mombasa County, Kenya?

iv) To what extent does management commitment influence the performance of insurance companies in Mombasa County, Kenya?

1.5 Significance of the study

The findings in this study show that embracing and integration of TQM practices plays a determinate role on the overall performance on insurance companies within Mombasa County. Performance of insurance companies has been of great concern to all stakeholders since any poor performance leads to grave implications on the stakeholders. The positive association between TQM and organizational performance means Insurance companies in Mombasa, Kenya need to fully embrace and practice TQM as the strategy to streamline their processes to improve their performance.
Improvement in performance will benefit the stakeholders in the following ways; shareholders are going to benefit from stable company and never experience loss of investments in form of liquidation, employees are going to have a guarantee of job security, policyholders are going to benefit by having peace of mind as they are sure of compensation incase risks are incurred, claimants will benefit from apt resolution of their claims, suppliers and creditors will get prompt payments, the government will benefit from taxes paid by insurance companies, the public financial services will not be disrupted as citizens who benefit from the company’s corporate social responsibilities will continue to enjoy the benefits (policy holder’s compensation fund of Kenya, 2013).

Previous studies on TQM within the purview of insurance sector have remained thin on practicality and relevance to the general practice of insurance businesses management. Furthermore, past evidence on management science on quality practices within insurance company is contextually limited hence unable to draw conclusive evidence on the value of TQM on the performance of Insurance companies across the county. The findings and conclusions in this form a good basis for reference by future researchers and academicians to build and strengthen their arguments and opinions on the influence of TQM on the performance of insurance companies.

1.6 Limitations of the study

The researcher encountered the challenge of self-reported data by unclear feedback for some questions posed to the respondents. The limitation was addressed by asking system printouts where the researcher doubted the answers from the respondents. The second limitation encountered was the difficulty in reaching out to respondents. The limitation was overcome through the use of referrals accompanied by the official letter handed out by Kenyatta University.
which helped in convincing the respondents that the information sought was purely for academic purposes. The study valued the need to gain first hand feedback from the respondents on the effect of TQM practices on the performance of insurance companies within Mombasa County. To effectively execute this required a qualitative approach that employed open questionnaire as the tool for collecting data.

However, it proved a mountainous challenge getting respondents to commit sufficient time and write their views and opinions on the subject of TQM on insurance company’s performance. To mitigate this limitation, the researcher employed a quantitative approach, relying on structured and closed questionnaires, to gauge the respondents feedback. The study employed a 5-point scale to measure respondents opinions across a wide variety of listed questions. This made it possible for the respondents to offer feedback on a shorter period. This made the analysis focus purely on quantitative feedback that relied on measures of central tendencies to describe the study outcomes. Even though the data computed was representative of the field operations, lack of written opinions diminished the prospect of first-hand account on what practitioners in the insurance sector think of the influence of TQM on performance of insurance companies in Mombasa County.

1.7 Scope of the study

The study was carried out within Mombasa County, Kenya. The target population for this study included, employees from different insurance company’s operating in Mombasa County. The respondents were categorized into either branch managers or senior branch underwriters or customer service assistants. The study focused on the relationship between total quality management and performance of insurance companies in Mombasa County. To effectively scrutinize the influence of TQM on the performance of insurance companies the study explored
TQM factors notably; customer focus, employee empowerment, organization culture and management commitment. Finally the study was undertaken within a period of 3 months, form April 2018 through June 2018.

1.8 Organization of the Study
This study was divided into five chapters; Chapter one examines the background information on the influence of Total Quality Management (TQM) on the performance of insurance companies in Mombasa County. The section also covered the statement of the problem where the gap in empirical evidence was exposed on the subject of TQM influence on performance of insurance companies. Other sections covered include, objectives of the study, research questions, significance of the study, limitations of the study and the scope of the study. Chapter two covers the literature review which presents an evaluation of the past studies on the subject of TQM and its influence on the performance of insurance companies. Chapter two also covers areas including; theoretical framework, empirical review and the conceptual framework. Chapter three will cover the research methodology which highlights the process that will be undertaken in gathering data for the study. Chapter four will cover data analysis and presentation. Chapter five will explore the summary of findings, discuss the findings, conclude and list down the recommendations of the study.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter addresses literature review. It starts by discussing theoretical framework, analyses empirical literature, comes up with research gaps which were filled by the study and finally it presents conceptual framework.

2.2 Theoretical Framework

The research is based on several quality guru’s theories which include; Juran, Ishikiwa, Taguchi and Crosby theories.

2.2.1 Joseph Juran Theory on Quality Management

The scope of Quality centers on the aspects of customer satisfaction or fitness for use. Quality must be managed through quality control, quality improvement and quality planning process which is commonly referred to as Juran Trilogy (Juran & Gryna, 1993). It further explained that there are two quality problems in the organization which can either be chronic or sporadic. For chronic quality problems they require breakthrough activities which include, breakthrough in attitudes, discovery of vital projects, organizing for the breakthrough in knowledge, creation of steering arm, diagnosis, breakthrough in cultural pattern, breakthrough in performance, transition to new level, (Marcus, 2008).

The theory posits that, the element of control is critical in tackling sporadic problems (Sallis, 2014). The process of implementing control takes into account numerous steps. First, there needs to be an existing yardstick that can be used as the basis for measuring performance. The scale, which will be used in implementing this measure, should be incorporated with a sensor whose
role will be to serve as a tentative objective which shall form the goal of undertaking the particular measure (Marcus, 2008).

The second step will be to determine the scales of measure and an auxiliary way of measuring the actual performance and interpreting the outcome and subsequent mechanism for interpretation to determine whether differences exist (Fawcett, 2014). Processes that go into executing organizational plans, include, examination of the quality of objectives, the process of customer identification, evaluation of customer needs, creation of a product specifications, process features and creation of a comprehensive control procedure and the exchange in operational processes (Juran & Gryna, 1993).

The theory is relevant to the study as it clearly shows how an organization can ensure quality within the organization by solving two major quality problems which hinder the performance of the organization (Fawcett, 2014). By implementing quality controls and checks, a company is able to develop high quality products and the customers will be impressed and express satisfaction with the products and services (Marcus, 2008). This highlights the existing importance of integrating total quality management in organizational processes and offers the evidence of correlation with organizational performance.

2.2.2 Taore Ishikawa theory on Quality Management

Taore Ishikawa, offered the most representative submission for quality management, suggesting that quality was a property defined by effectiveness in processes including development procedures, design procedures, production procedures and overall service implemented in superior economical way to the levels deemed satisfactorily to the customer (Ishikawa, 1985).

The theory presented 7 pillars which conferred the process of quality control within an organization. These 7 pillars were pitched as the official administrative tools that can be used in
quality assessment (Sokovic, Pavletic & Pipan, 2010). Employing quality management processes in organizational administration enables application of scientific tools like that developed by Taore Ishikawa model (Moges et al., 2017).

The tools include; the process flow charts, histogram, Pareto chart, cause-effect diagram, check-sheet, scatter diagram and the control chart (Neyestani, 2017). Taore Ishikawa, is also credited with pitching foundational principles for Total Quality Control, notably; quality prioritization, customer orientation, engagement with the customers using data presentation built on facts and maintain highest levels of respect and embracing scientific management models (Ganihar, 2016). The theory is relevant to the study as it is showing correlation between controlling quality where by employees are highly involved and the satisfaction of customers which then leads to better or improved performance in the organizations. So, it clearly shows correlation between quality and performance of organizations.

2.2.3 Genichi Taguchi Theory on Quality Management

Quality can be viewed as the kind of loss a society incurs for the period when the product is being shipped (Taguchi ,1986). Taguchi model for quality control, encompass concepts, such as; basing quality control on the variation in products critical performance characteristics; customer losses resulting from product use compensated through measurement in deviations noted from standard operating characteristics and the set performance targets; in estimating quality & prices of products, key factors playing determining role include the, engineering design, the production processes (Lan, Chaung & Chan, 2018).

Finally, the variation in products performance is examined in assessing product underlying characteristics, which possess measurable parameters based on performance scale (Chiu, 2015;
Ribeiro et al., 2017). The theory is relevant to the study as it is showing how quality is supposed to be improved through variation of products key characteristics with a view of ensuring the customer doesn’t suffer any losses. In return sales increase leading to improved performance of the organizations. So, the theory is able to show correlation between quality and performance of organizations (Lan et al., 2018).

2.2.4 Philip Crosby Theory on Quality Management

The Philip Crosby model ascertained that quality is the inherent attribute that guarantee the conformance to certain set of requirements (Crosby, 1979). Crosby theory pitched a number of quality management concepts including, basing product quality in conformity to standards, embracing preventive approach to quality assurance rather than focusing on post production inspection and finally estimating quality on monetary basis with quality standards based on perfection levels (Neyestani, 2017).

Crosby, also explained that internal organizational success is contributed by existence of the following factors; people taking up first attempts, basing change to the anticipated positives, ensuring consistent growth & constant profit margins and finally the introduction of products and services whenever requested (Nguyen, Phan & Matsai, 2018). The theory is clearly showing how quality can be managed to ensure organizations are eternally successful (Kall & Wacker, 2010). This makes the theory relevant to the study as it has clearly shown the correlation between quality management and performance of organizations.
2.3 Empirical Review

2.3.1 Customer Focus and Performance

Yaacob (2014) looked into the immediate and circuitous impacts of client focused programs in public firms, information was gathered from 205 executives in general administration division, every one of whom was conversant with the procedure of client center. The aftereffects of this examination uncovered that client focus is a critical indicator of worker fulfillment, development and consumer loyalty. The basic model likewise showed that there is a circuitous connection between client center and consumer loyalty, as controlled by worker fulfillment. What's more, the impact of client center around advancement was interceded by worker fulfillment. Along these lines, this model suggested that the act of client center may empower open firms to build their levels of execution.

Asikhia (2010) studied Customer Orientation and Firm Performance among Nigerian Small and Medium Scale Businesses in Nigeria. Besides, the examination additionally explored the direct impact of showcasing data framework and administrative demeanors on the connection between client introduction and firm execution. Nigerian SME’s were extensively examined. Information was gathered utilizing poll overview approach. Two hundred and twenty-two Nigerian organizations partook in this investigation. Findings of this examination demonstrated that there was a positive and huge link between client focus and firm performance with regards to Nigerian SME’s.

The outcome additionally uncovered that showcasing data framework and administrative state of mind wielded influence on the firm performance. Benefits of being customer centric are further illustrated by (Seef, 2009) as being; creating flexibility for an association i.e. flexibility enables everybody in the association to alter their treatment of clients as opposed to convey dreary
exhibitions that clients feel are aloof and; organizations will appreciate more grounded worker reliability in the event that they grasp solid client relationship esteems.

Cai (2009) studied the importance of customer focus on organizational performance in a study of Chinese companies. The main objective was to empirically investigate the linkage among organizational customer orientation, customer relationship practices and organizational outcomes. The sampling frame of the study consisted of 143,000 Chinese companies, each with revenue of more than 5 million RMB (Chinese currency). The target companies were randomly selected from 29 Chinese provinces using the stratified probability proportional to sizes (PPS) method. Structure equation modeling was utilized to analyze data. It was found that organizational customer orientation affects customer relationship practices, which subsequently influence production performance and customer satisfaction. Production performance and customer satisfaction lead to financial performance.

Under customer focus, researchers Yaacob (2014), Asikhia (2010) and Cai (2009) did researches on how customer focus affects performance in organizations. Their results showed that Customer focus under the context of total quality management does improve performance of organizations both financially and in terms of market share.

2.3.2 Employee Empowerment and Performance

Kariuki and Murimi (2015) researched on employee empowerment and organization performance of Tata Chemicals Magadi Ltd, Kenya. The investigation inspected the connection between four measurements (self-sufficiency, basic leadership, data sharing and preparing) and hierarchical execution utilizing sexual orientation, age and residency as control factors. Just employee gender had critical commitment to authoritative execution and all models affected organizational execution.
Kimolo (2013) researched on the connection between employee empowerment practices and employee performance in local advancement experts in Kenya. The number of inhabitants in the intrigue involved all workers of the six provincial advancement experts, Workers were met and respondents were haphazardly chosen and a sample size of 173 was established. The examination utilized essential information accumulation strategies. The analysis was done mainly using descriptive statistics. The study found out that employee empowerment practices had impact on employee performance which then affected positively the performance of the authorities.

Sahoo and Das (2011) analyzed work done by (Riply, 1992) and (Spatz, 2000) and concluded that empowerment brings the following benefits; Increases employees’ trust and commitment; enhanced motivational level to diminish mix-ups and people assume greater liability for their own behavior; gives a discussion through which representatives can express their convictions and imaginative thoughts regarding everyday exercises; helps the consistent enhancements of procedures, Items and administrations.

Increases worker devotion, while in the same time decreasing turnover, absenteeism and ailment; Increase in profitability by expanding personnel pride, confidence and self-esteem; Use of peer weight and self-overseeing group techniques for worker control and efficiency; Increases the use of strategies in lessening waste and building quality, while meeting client expectations; Continual increment of aggressiveness and accomplishing of long haul intensity with regularly expanding the business; Increase in trust and participation with the administration; Increase in correspondence among workers and departments; empowers workers to recognize and take care of issues so that they can enhance their own particular execution; increment in hierarchical responsibility and authoritative adequacy and; Building a solid authoritative atmosphere and culture.
Meyerson and Dewettinck (2012) researched on the effect of employee empowerment on corporate programs, a study of car industry in Chennai city of Tamil Nadu in India. A definitive goal was to establish the effect of employee empowering on authoritative execution. The attention was on worker empowerment and its effect on job execution. The study was done on Indian firms in the city of Chennai of Tamil Nadu in India. The discoveries were that exceedingly empowered workers are successful. In this study it was found out that there is a positive connection between employee empowerment and job performance.

Kariuki and Murimi (2015), Kimolo (2013), Meyerson and Dewettinck (2012) research studies on staff empowerment in organizations all found out that if staffs in organizations are empowered, their capabilities increase because of additional knowledge, skills and increased motivation. As a result, the performance of the organization improves significantly.

2.3.3 Organizational Culture and Performance

Chepkemoi (2014) did a study on the relationship between organizational culture and performance of the top ten insurance companies in Kenya. The study used self-administered semi-structured questionnaires as the main instrument of data collection. Regression analysis was used to establish the relationship between culture and performance. Culture was rated highly by 88% of the respondents as affecting the performance of the organizations. The implication was that insurance sector in Kenya is not effectively implementing its strategies because employees have a culture that they do not want strategy to change. Work place behavior affects employee productivity in insurance sector. The study found that insurance companies have tried to harness and align their organizational culture to their strategies in order improve their performance. The study recommended mitigating risks involved in integrating organizational culture with performance and creating an effective and efficient environment. Insurance
companies need to ensure that employee steer business and maintain strong corporate strategy relationships all times.

Moradi, Safari and Torkestani (2013) explored the effect of organization culture on the performance of insurance corporates in Iran. The investigation expected to discover whether there was better fit between a company’s system, culture and authoritative execution. 200 surveys were conveyed of which 84% was recovered and investigated. The outcomes demonstrated that organization culture highly affects performance of the corporates. The study found out that an organizations performance can be improved by change of culture.

Bashayreh (2014) looked into an organization culture and its impact on Jordanian insurance sector. He took a sample of 240 respondents that were chosen haphazardly from insurance institutions. The investigation discovered that there is a restricted huge connection between (energizing employee improvement, behavioral styles, security and correspondence) and the performance of the insurance institutions. The findings also demonstrated that a huge relationship exists between strategies & techniques and performance. The research enhanced the understanding of measurements of organizational culture which ultimately affect the performance of organizations.

Chepkemoi (2014), Moradi, Safari and Torkestani (2013) and Bashayrah (2014) researched on how organizational culture affects organizational performance. All the studies found out that the organizational culture did affect performance of the organizations directly.

2.3.4 Management Commitment and Performance

Tzempelikos (2015) undertook an exploration on top administration duty & contribution and their connect to key record administration efficiency, the reason for the investigation was to
inspect the part of best administration in powerful key account management (KAM) relationships, making a distinction between top management commitment and top management involvement. The examination utilized information from 304 respondents from various parts to test the exploration model and theories created. The data was gathered by methods for individual meetings. The review instrument was an organized survey. Results demonstrated that best administration responsibility emphatically influenced top administration contribution. Likewise, top administration contribution absolutely influences the connection between top administration duty and relationship quality. At long last, relationship quality emphatically identifies with monetary execution and financial performance.

Nasomboon (2014) studied on the relationship between leadership Commitment, Organizational Performance, and Employee Engagement. Information gathered from 26 petrochemical organizations' directors was dissected as identifiers of the inert factors in the model. The procedure was finalized by utilizing the standards of structural equation modeling (SEM) which required corroborative factor investigation on the estimation model and way of examination on the basic model. The investigation found that Leadership Commitment wielded strong association with the organizational Performance and employee Engagement.

Kidombo (2016) researched on Top management commitment for successful small and medium-enterprises (SMEs). The purpose of the study was to investigate the influence of top management commitment as a total quality management (TQM) practice on performance of small and medium enterprises. The study concentrated on youth group projects in Kajiado North sub county, Kenya. Youth projects were randomly selected from Kajiado north sub-county, in five wards. The study used mixed method approach in the data collection and analysis to capture both the qualitative and quantitative data. The design was descriptive. The target population was 210
youth that were involved in youth group projects. Spearman’s correlation was used to test the relationship between the variables. The analyses indicated that there is significant relationship between top management commitment and performance.

A study by Litie Njie, Teku Fon and Awomodu (2008) focused on the influence of management commitment towards overseeing the implementation of Total Quality Management strategies by organization employees. The study found that, management role wielded overwhelming significant influence towards the realization of TQM goals and played a central role as the driver of the implementation process. Levinge and Tang (2006) argued that, the level of management commitment towards the organization impacted on the accrued levels of quality in the implementation of organizational processes and operational strategies.

The four studies i.e. by Litie et al. (2008), Tzempelikos (2015), Nasomboon (2014) and Kidombo (2016) examined how management commitment impacted on performance of their respective chosen organizations. They used different methods of doing the research but they all arrived at the same findings that management commitment under the context of total quality management impacts positively on the efficiency and performance of organizations.

2.4 Summary of Literature Review and Research Gap

The study’s literature review was based on quality management guru’s theories and the analysis of total quality management principles. From the several analyses it’s clear that total quality management enhances the performance of organizations. The ultimate benefits from TQM are, strengthened competitive position, higher productivity, enhanced market image, elimination of defects & waste, reduced costs & better cost management, higher profitability, improved customer focus & satisfaction; increased customer loyalty & retention; increased job security; improved employee morale; enhanced shareholder & stakeholder value; improved & innovative
processes and finally adaptability to changing or emerging market conditions, environmental and other government regulations. Empirical review was done on studies earlier done on customer focus, employee empowerment, organizational culture and management commitment and the findings were that each of the elements of total quality management had a positive impact on the performance of the organization.

Even though numerous studies were done on how total quality management affects the performance of insurance companies, those studies were not in Mombasa County Kenya and thus the findings from those studies could not be generalized to fit in Mombasa County Kenya since the PESTEL conditions in those countries are different from ones in Mombasa County Kenya. This was one of the gaps which necessitated the research. The study intended to establish the relationship between total quality management and performance of insurance companies in Mombasa County Kenya. The researches which had been done on how total quality management impacts performance of organizations have had mixed results, with a few showing no significant impact of total quality management on performance. This mixed reporting also created a gap which had to be filled i.e. to ascertain the correct position between total quality management and performance of firms.

Studies by Yaacob (2014), Asikhia (2010) and Cai (2009) demonstrated how customer focus affects performance in organizations. The studies expounded that, Customer focus under the context of total quality management does improve performance of organizations both financially and in terms of market share. However, the studies were limited in scope and didn’t look at the inherent organizational factors that determine the effectiveness of adopting TQM within services-oriented organizations. Further, the studies were silent on inference, which makes it difficult to generalize the findings in sectors such as the insurance industry. Evidence drawn
from studies by Kariuki and Murimi (2015), Kimolo (2013 and, Meyerson and Dewettinck (2012), show that if staffs in organizations are empowered, their capabilities increase because of additional knowledge, skills and increased motivation. This however doesn’t look at the aspect of employee responsibility within the scope of productivity and value they bring to the organization. This leaves the findings less conclusive on important finer and intricate elements of employee role and whether continued capacity enhancement by the organization, through alignment to TQM principles is equivalent to employee empowerment. Studies on organizational performance in respect to organization culture and management commitment by scholars, notably Bashayrah (2014), Chepkemoi (2014), Kidombo (2016), Litie et al. (2008), Moradi, and Nasomboon (2014), Safari and Torkestani (2013) and Tzempelikos (2015), failed to examine the effect of TQM on service-oriented sectors like the insurance industry which exposes the limited inference for those studies. A positive relationship was established and the findings shall be beneficial to the insurance industry as the individual companies willing to improve their performances will start practicing total quality management.

2.5 Conceptual Framework

The conceptual framework highlights an actual diagrammatic representation of the relationship between the dependent and the independent variables. The main interest in this study was to examine effect of TQM on the performance of insurance companies. TQM was split into four components which formed the independent variables, namely; customer focus, employee empowerment, organization culture and management commitment. The dependent variable was the performance of insurance companies. Total Quality Management, is a management style where high standards of quality are maintained in the whole of the company’s operations. Customer Focus, involves having all operations in an organization geared towards meeting the
customer’s needs and expectations. Employee Empowerment is giving employees some room to make decisions and even take risks in their activities with a view of making them having inputs in the organizations. Organizational Culture it is the assumptions, values and beliefs which dictate how workers think, behave and handle different scenarios. Management Commitment, is the affection and passion the top management has towards the organization in seeing it succeed or meet its objectives. Performance, is the level of achievement when doing tasks or pursuing objectives.
Independent Variables

**Customer Focus**
- Intelligence Generation
- Intelligence dissemination
- Responsiveness

**Employee empowerment**
- Provide information for decision making.
- Delegate authority and impact opportunities.
- Help employees feel rewarded and recognized for empowered behavior

**Organization Culture**
- Innovation and risk taking
- Outcome orientation
- Team Orientation

**Management Commitment**
- Effective commitment
- Continuance commitment
- Normative commitment

Dependent Variables

**Insurance Company Performance**
- Financial performance
- Product market performance
- Shareholder return

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**Figure 2.1 the Conceptual Framework**
Source: Researcher, 2018
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter entails the kind of research methodology which was used. The chapter basically consists of research design, target population, sampling technique, sample size, data collection instruments, data collection procedure and finally data analysis and presentation techniques.

3.2 Research Design

The study adopted both the descriptive research design and the correlation research design. Mugenda and Mugenda (2008) described descriptive research design as the research process that seeks to measure the phenomena and observation with aim of developing a descriptive model which uses statistical outcomes to explain the underlying relationship. Waters (2008) defines correlational research design as quantitative method of research in which you have two or more quantitative variables from the same group of subjects and you try determine if there is a relationship or co-variation between the two variables i.e. a similarity between them and not a difference between the mean.

3.3 Target Population.

Target population is the total group of individuals from which the sample might be drawn, (Cooper & Schindler, 2014). The target population for this study consisted of all employees of insurance companies’ branches in Mombasa County. As of 2017, Mombasa City had 49 insurance companies with national reach (KNBS, 2017). The population has almost same characteristics as it’s all composed of employees of insurance companies whose duty is
underwriting risks and paying claims. The total target population was 147 which include 49 branch managers, 49 senior branch underwriters and 49 branch customer service assistants. The three job categories were chosen because they are directly involved with the four independent variables which are under research and which include customer focus, employee empowerment, organizational culture and management commitment.

Table 3.1 Target Population

<table>
<thead>
<tr>
<th>Categories</th>
<th>Target Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch Managers</td>
<td>49</td>
<td>33.33%</td>
</tr>
<tr>
<td>Senior Branch Underwriters</td>
<td>49</td>
<td>33.33%</td>
</tr>
<tr>
<td>Customer Service assistants</td>
<td>49</td>
<td>33.33%</td>
</tr>
<tr>
<td>Total</td>
<td>147</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Association of Kenya Insurers (2014)

3.4 Sampling Technique and Sample Size

Sampling is the process of selecting participants from the population (McLeod, 2014). The study used stratified sampling method to come up with strata based on job categories i.e. branch managers, senior branch underwriters and finally customer service assistants. This approach guaranteed fair representation of the population. Then random sampling was used to ensure there is fairness in the sample when selecting respondents from the three strata’s. According to Brennen (2012), a sample size of 30% and above would be sufficient to gain a representative sample for the whole target population. Considering that the target population of the study was 147 people, the researcher settled for a sample of 108 participants, who were readily identified and expressed interest in participating on the study which represents 73.5 % of target population, which is above 30% threshold.
Table 3.2 Sample Size

<table>
<thead>
<tr>
<th>Categories</th>
<th>Target Population</th>
<th>Sample Ratio</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch Managers</td>
<td>49</td>
<td>0.74</td>
<td>36</td>
</tr>
<tr>
<td>Senior Branch Underwriters</td>
<td>49</td>
<td>0.74</td>
<td>36</td>
</tr>
<tr>
<td>Customer Service assistants</td>
<td>49</td>
<td>0.74</td>
<td>36</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>147</strong></td>
<td><strong>100% × 147</strong></td>
<td><strong>108</strong></td>
</tr>
</tbody>
</table>

Source: Researcher (2018)

3.5 Data Collection Instruments

This study relied on primary data that was collected in a field survey. Primary data means its first hand i.e. it has never been collected before. Data was collected through the use of questionnaires. A questionnaire is usually questions on a piece of paper which are usually issued to a respondent with aim of respondent filling it. From the answers the researcher gets data which leads to his/her findings of the research. The researcher developed a questionnaire with set of questions which were closed ended. The research opted for questionnaires to collect data since they are easy in recording, coding, classifying, reconciliation and analysis.

3.6 Data Collection Procedure

Questionnaires were developed and then tested to ensure they collect the required data necessary. The researcher then visited insurance companies in Mombasa County to seek audience with the respondents. Using introductory letter from Kenyatta University the researcher explained the purpose of conducting the research and how it will be beneficial to the whole industry. The
researcher then assisted the respondents with an explanation on the questionnaire flow with an aim of ensuring they understood the contents of the questionnaire. The respondents were then given one week to fill the questionnaires before the researcher went around the companies picking them.

3.7 Validity and Reliability of Data Collection Instruments

3.7.1 Validity
Validity is the degree to which a questionnaire reflects reality while Reliability is the degree to which a questionnaire will produce the same result if administered again, or the test-retest concept. It is also a measure of the degree to which a questionnaire can reflect a true change (Berger, 2015). The researcher pre-tested the questionnaire during pilot survey to ensure it meets the aspect of validity.

3.7.2 Reliability
To test reliability the researcher used test-retest model and re-test method. To test-retest reliability is a measure of reliability obtained by administering the same test twice over a period of time to a group of individuals. The scores from time 1 and time 2 were then are correlated in order to evaluate the test for stability over time (Coopers & Schindler, 2014).

3.8 Data analysis and presentation
Once the questionnaires were returned, the analysis’s first step commenced with organizing data i.e. arranged all questionnaires in one place, checked whether they were completed and accurate then removed incomplete questionnaires. The second step involved entering data in excel form and established the percentages on how respondents answered. The last step was to interpret the data i.e. attaching meaning to data and concluding on lessons learnt. Statistical Package for Social Sciences (SPSS) version 20 was used to analyze data. The findings on how customer
focus, employee empowerment, organizational culture and management commitment affects the performance of insurance companies in Mombasa county was presented using pie charts, bar charts, tables, percentages and graphs.

3.9 Multiple Regression Model

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \]

Where:

- \( Y \) = Performance
- \( \beta_0 \) = Constant
- \( \beta_1...4 \) = Beta coefficients
- \( X_1 \) = Customer Focus
- \( X_2 \) = Employee empowerment
- \( X_3 \) = Organizational Culture
- \( X_4 \) = Management Commitment
- \( \epsilon \) = Error term

The regression test was valuable as it enabled the researcher perform inferential statistics by evaluating the causal association between the independent variables notably; customer focus, employee empowerment, organization culture and management commitment, and the dependent variable performance of insurance companies in Mombasa County. The regression test produced three tables, including model summary, the Analysis of Variance tables (ANOVA) and the coefficients table, which offered statistical measurement that highlights casual relationship between the independent variables and the dependent variable.
3.10 Ethical Considerations

Ethical issues refer to conduct that guides the researchers behavior while undertaking the field survey (Berger, 2015). The researcher treated the information provided by the respondents as confidential and was only used in this study. Before proceeding with the data collection exercise the researcher sought permission from the institution that was presented to the respondents as evidence for what this study entailed. This enabled the researcher explain to the participants that the exercise is purely for academic purpose. The researcher also committed to maintain the anonymity of the respondents, and not use its findings for any other purposes that the one mentioned. The questionnaires didn’t require respondents to list their names, which will enable the study to maintain high levels of confidentiality for all the participants.
CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction
This section of the study presents the primary data gathered on the relationship between total quality management and the performance of insurance companies in Mombasa County. The primary data was collected using questionnaires that were distributed to participants who were employees of insurance companies located within Mombasa County. A sample size of 108 respondents was determined to be sufficient for this study.

4.2 Response Rate
A total of 108 questionnaires were handed out to the selected participants. The data in table 4.1 highlights the response rate.

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responded</td>
<td>90</td>
<td>83.3 %</td>
</tr>
<tr>
<td>Not-Responded</td>
<td>18</td>
<td>16.7 %</td>
</tr>
<tr>
<td>Total</td>
<td>108</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018)

The findings in table 4.1 indicate that 90 questionnaires out of the 108 that were handed out were successfully filled and returned in time for data analysis. Only 18 participants failed to offer their opinions to the topic of study. The 90 responses that were successfully recorded represents 83.3% response rate. According to Mugenda and Mugenda (2008), a response rate of 70% and above is convenient for computing statistical inferences. Therefore the 83.3 % response rate was sufficient to carry out the data analysis.
4.3 Demographic Background Information
The demographic information covered the respondent’s background information including details such as, gender, age distribution, marital status, education level, work experience and job group.

4.3.1 Gender Distribution
The data in figure 4.1 presents the gender distribution among the participants in the study, with frequency numbers tabulated to percentage distribution.

![Gender Distribution](image)

Figure 4.1 gender distribution
Source: Survey Data (2018)

The findings presented in figure 4.1 indicates that, majority of the respondents, about 55.6% were male and about 44.4% were female. This implies that, the insurance sector has a slight gender imbalance with more men taking up most of the critical roles. In addition, a slight difference in gender distribution among the insurance company workers implies that, the sector has complied with the 30% gender rule which is a requirement of the Kenyan constitution.

4.3.2 Age Distribution
The data presented in figure 4.2 presents the age distribution among the respondents with the aggregated percentages based on the frequency distribution.
Figure 4.2 Distribution of Respondents by Age

Source: Survey Data (2018)

The findings in figure 4.2 indicate that majority of the respondents, about 35 (38.9%) indicated to be in the age group 18 – 30 years. About, 25 (27.8%) of respondents indicated that they were in the age group 31 – 40 years, about 20 (22.2 %) of the respondents, indicated that they were in the age group, 41 – 50 years. Only 10 (11.1%) of the respondents who indicated that they were over 50 years of age. This implies that, a significant chunk of the employees in the insurance sector are in the youth bracket. This indicates that, a large percentage of insurance roles and duties are undertaken by the young and youthful employees.

4.3.3 Marital Status

The data presented in figure 4.3 presents the respondents distribution by marital status with percentile aggregations based on the percentage distributions.
The findings in figure 4.3, indicate that majority of the respondents, 40 (44.4%) indicated that they were single. Further, about 35 (38.9%), of the respondents indicated that they were married, whereas about 10 (11.1%) of the respondents indicated to be in either divorced or separated. Finally, about 5 (5.6%) of the respondents indicated that they were widowed. The findings imply that, a significant percentage of the insurance employees were single. This is consistent with, age demographics, which indicates that, the employees in the sector are still young which is reflected with a significant high number of employees who are single.

4.3.4 Education Level
The data presented in figure 4.4 highlights the distribution of the respondents in terms of academic attainment, with aggregations based on frequencies.
Figure 4.4 Distribution of Respondents by Education Level
Source: Survey Data (2018)

The findings presented in figure 4.4, indicate that majority of the respondents, about 35 (38.9%) have attained a university degree. The findings also indicate that, about 30 (33.3%) of the respondents indicated that they have attained education level to the diploma level. About, 20 (22.2%) of the respondents indicated that they have attained a postgraduate education to the Masters level. Finally, a marginal 5 (5.6%) of the respondents indicated to have attained high school education. The findings imply that, academic attainment is an important component of success for the players in the insurance sector. An overwhelming majority of the sampled respondents who are internal stakeholders in the insurance sector have good education which demonstrates that education plays an important part in enhancing the performance of insurance organizations.

4.3.5 Work Experience
The data presented in figure 4.5 highlights the distribution of respondents by work experience with aggregations based on frequency distribution.

Figure 4.5 distribution of respondents by work experience
Source: Survey Data (2018)

The findings in figure 4.5 indicates that majority of the respondents about, 45 (51.1%) indicate to have a working experience of below 5 years. The findings also indicate that, about 35 (37.80%)
of respondents indicated to have a work experience of 5 – 10 years. Finally, about 10 (11.10%) of the respondents indicated that they had a working experience of over 10 years. The findings imply that, work experience is an important aspect of success in the insurance sector. Similarly, majority of the young employees are in process of building competencies from working with their experienced seniors, in effort to improve the overall organizational productivity.

4.3.6 Job Group
The findings in figure 4.6 highlight the distribution of respondents in terms of job groups with aggregations based on the frequency distribution.

![Figure 4.6 Distribution of respondents by job ranking](source: Survey Data (2018))

The findings presented in figure 4.6, indicate that majority of the respondents, about 35 (38.9%) were customer service assistants. About, 29 (32.2%) of the respondents indicated that they were branch underwriters and finally about 26 (28.9%) of the respondents indicated that they were branch managers. The findings imply, that a significant portion of the insurance companies have a huge team of workforce dedicated towards customer services. The findings show that, customer relations and interactions are critical components in the success of the insurance companies.
4.4 Customer Focus

The first objective of this study was to evaluate the influence of customer focus on the performance of insurance companies in Mombasa County, Kenya. The data presented in table 4.2 highlights the respondent’s opinions across different questions related to customer focus and the performance of insurance companies.

### Table 4.2 Customer focus influence on insurance company performance

<table>
<thead>
<tr>
<th>Customer focus factors</th>
<th>1 %</th>
<th>2 %</th>
<th>3 %</th>
<th>4 %</th>
<th>5 %</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gathers and understands Customer preferences for now and future</td>
<td>0.0</td>
<td>0.0</td>
<td>10</td>
<td>60.0</td>
<td>30.0</td>
<td>4.20</td>
<td>.603</td>
</tr>
<tr>
<td>Dissemination of customer intelligence</td>
<td>0.0</td>
<td>3.3</td>
<td>18.9</td>
<td>46.7</td>
<td>31.1</td>
<td>4.06</td>
<td>.798</td>
</tr>
<tr>
<td>Changes processes based on market intelligence</td>
<td>0.0</td>
<td>1.1</td>
<td>51.2</td>
<td>37.4</td>
<td>10.3</td>
<td>3.90</td>
<td>.822</td>
</tr>
<tr>
<td>Thanking customer with rewards</td>
<td>0.0</td>
<td>0.0</td>
<td>8.9</td>
<td>66.7</td>
<td>24.4</td>
<td>4.16</td>
<td>.559</td>
</tr>
<tr>
<td>Customer preferences changes on performance</td>
<td>0.0</td>
<td>7.8</td>
<td>10.5</td>
<td>53.9</td>
<td>27.8</td>
<td>4.30</td>
<td>.608</td>
</tr>
<tr>
<td>Customer intelligence on performance</td>
<td>0.0</td>
<td>0.0</td>
<td>15.5</td>
<td>46.7</td>
<td>37.8</td>
<td>4.22</td>
<td>.700</td>
</tr>
<tr>
<td>Changing processes on performance</td>
<td>0.0</td>
<td>6.0</td>
<td>20.5</td>
<td>43.3</td>
<td>30.2</td>
<td>4.18</td>
<td>.663</td>
</tr>
<tr>
<td>Rewarding customers on Performance</td>
<td>0.0</td>
<td>1.7</td>
<td>54.4</td>
<td>29.5</td>
<td>14.4</td>
<td>3.83</td>
<td>.658</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>4.11</strong></td>
<td><strong>0.676</strong></td>
</tr>
</tbody>
</table>

Source: Survey Data (2018)

The findings in table 4.2, presents the respondents feedback on the effect of customer focus on the performance of insurance companies. A scale of 1 – 5 was used, where; 1 = strongly
disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. The respondents agreed that the company gathers and understands customer preferences and needs along with market forces affecting the needs and preferences, presently and in the near future, with a mean of 4.20 (SD = 0.603). The respondents, agreed that the company disseminates customer intelligence to all relevant departments and individuals in the organization with a Mean of 4.06 (SD = 0.798). Further, respondents agreed that insurance companies change processes, products and services based on good market intelligence to realize the reward of being market-oriented company, with a mean of 3.90 (SD = 0.822). The findings show that, respondents agree that insurance companies thank and reward customers for buying from them, mean of 4.16 (SD = 0.559).

The respondents agreed that, gathering and understanding customer preferences and needs along with market forces affecting needs and preferences now and, in the future, improves the performance of the company, with a mean of 4.30 (SD = 0.608). The findings indicate that, disseminating customer intelligence to all relevant departments and individuals in an organization improves the overall performance of the company, with a mean of 4.22 (SD = 0.700). The findings indicate that changing processes, products and services based on good market intelligence to realize the reward of being market-oriented company improves the performance of the company, with a mean of 4.18 (SD = 0.663). The respondents agreed that, thanking and rewarding customers for buying from the company improves the performance of the company, mean of 3.83 (SD = 0.658). The computed average mean for the respondent’s views on the influence of customer focus is 4.11 (SD = 0.676), indicating that respondents agree that customer focus yields an influence on the performance of insurance companies.

The findings are in agreement with McFadden (2013) and Ciotti (2011) who indicated that rewarding customers from time to time, allowing customers and clients to easily leave, and/or get
in touch with the company through various different methods, ensuring that customer-oriented approach is integrated within the organizations culture i.e. adapting to change with, time, customers, their needs, wants and requirements. Changes happen all the time so should, products, services and solutions leading to significant improvement in the performance of the company. The findings indicate that understanding customers and attending to their needs plays a significant role in retaining them. These findings are consistent with the study by Miller (2003) who submitted that taking initiative to understand customers and tackle their problems helps in retaining them and also contributes to attracting new customers.

**4.4.1 Correlation between Customer Focus and Performance of Insurance Companies**

Correlation test examined the relationship between the independent variable customer focus and the independent variable performance of insurance companies.

| Table 4.3 correlation test between customer focus and insurance company performance |
|---------------------------------------------|-----------------|-----------------|
| Customer focus                              | Customer focus  | Performance      |
| Pearson Correlation                         | 1               | .357**          |
| Sig. (2-tailed)                             | .001            |                 |
| N                                           | 90              | 90              |
| Performance                                 | Pearson Correlation | .357**   |
|                                            | Sig. (2-tailed) | .001            |
|                                            | N               | 90              |

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

Source: Survey Data (2018)

The findings in table 4.3, indicate the computed results for the bi-variate correlation test between, customer focus and the performance of insurance companies. The results show that the test computes the r-statistic value of 0.357, with p-value of 0.001 (p = 0.000, p < 0.01). The findings indicate that there exists a moderate positive statistical correlation between customer
focus and the performance of insurance companies, which indicates a change in customer focus will trigger a moderate change in insurance company focus in the parallel direction.

4.4.2 Regression Analysis between Customer Focus and Performance of Insurance Companies

The regression test was carried out to examine the influence of customer focus on the performance of insurance companies.

Table 4.4 Model summary for Customer Focus on Insurance Company Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.357&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.127</td>
<td>.117</td>
<td>.175</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018)

The findings in table 4.4, presents the model summary for the test between customer focus and insurance company performance, which recorded an R value of 0.357, and an R-Squared value of 0.127. The findings indicate that, customer focus has a moderate correlation with the overall company performance. Furthermore, the findings indicate that, customer focus, accounts for 12.7% in variability on the performance of insurance companies, which means that 87.3 % of variability in company performance is attributed to other factors external to customer focus.

Table 4.5 ANOVA Test for Customer Focus and Insurance Company Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>.392</td>
<td>1</td>
<td>.392</td>
<td>12.828</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>2.692</td>
<td>88</td>
<td>.031</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3.084</td>
<td>89</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey Data (2018)
The findings in table 4.5, indicate the Analysis of variance between customer focus and company performance. The fisher statistical outcome, F (1, 88) = 12.828, which indicates that there exists moderate variance between average means in customer focus and the performance of insurance companies. The test was conducted in a 0.01 significance level, recording a p-value of 0.001 (p =0.001, p<0.01). The findings imply that there exists a significant statistical association between customer focus and the performance of insurance companies.

Table 4.6 Coefficients for Customer Focus on Insurance Company Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>3.330</td>
<td>.313</td>
<td>10.636</td>
</tr>
<tr>
<td></td>
<td>Customer focus</td>
<td>.273</td>
<td>.076</td>
<td>.357</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance

Source: Survey Data (2018)

The findings in table 4.6 presents the coefficients, for the test between customer focus and company performance. The test evaluates whether, a statistical effect exists between the independent variable and the dependent variable. The regression equation assumed for this test is: \( Y \text{ (Performance)} = A + B \text{ (Customer Focus)} + \hat{\epsilon} \)

The deduced outcome for the test in table 4.5, indicate \( A = 3.330 \) and \( B = 0.273 \). Therefore, the equation, \( Y \text{ (Performance)} = 3.330 + 0.273X \)

The findings indicate that, for every unit change in customer focus will induce a 0.273 unit’s change in the overall performance of insurance companies underscoring the factor that customer focus affects changes for the insurance companies’ performance.
4.5 Employee Empowerment

The data in table 4.7 presents the respondents views on the influence of employee empowerment on the performance of insurance companies. The data aggregates the respondent’s views in descriptive statistics using measures of central tendencies mean and standard deviation.

<table>
<thead>
<tr>
<th>Employee empowerment factors</th>
<th>1 (%)</th>
<th>2 (%)</th>
<th>3 (%)</th>
<th>4 (%)</th>
<th>5 (%)</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancing information access for employees</td>
<td>0.0</td>
<td>0.0</td>
<td>7.8</td>
<td>51.1</td>
<td>41.1</td>
<td>4.33</td>
<td>.618</td>
</tr>
<tr>
<td>Authority delegation</td>
<td>0.0</td>
<td>2.2</td>
<td>24.4</td>
<td>41.1</td>
<td>32.2</td>
<td>4.03</td>
<td>.814</td>
</tr>
<tr>
<td>Employee rewarding</td>
<td>0.0</td>
<td>0.0</td>
<td>12.2</td>
<td>44.4</td>
<td>43.3</td>
<td>4.31</td>
<td>.681</td>
</tr>
<tr>
<td>Employee health and safety</td>
<td>0.0</td>
<td>0.0</td>
<td>5.6</td>
<td>43.3</td>
<td>51.1</td>
<td>4.46</td>
<td>.603</td>
</tr>
<tr>
<td>Information access enhances organization performance</td>
<td>0.0</td>
<td>2.2</td>
<td>11.1</td>
<td>56.7</td>
<td>30.0</td>
<td>4.14</td>
<td>.696</td>
</tr>
<tr>
<td>Authority delegation improves employee performance</td>
<td>0.0</td>
<td>0.0</td>
<td>15.6</td>
<td>53.3</td>
<td>31.1</td>
<td>4.16</td>
<td>.669</td>
</tr>
<tr>
<td>Employee rewarding on organization performance</td>
<td>0.0</td>
<td>0.0</td>
<td>17.8</td>
<td>62.2</td>
<td>20.0</td>
<td>4.02</td>
<td>.618</td>
</tr>
<tr>
<td>Employee Health and safety on organization performance</td>
<td>0.0</td>
<td>1.1</td>
<td>5.6</td>
<td>55.6</td>
<td>37.8</td>
<td>4.30</td>
<td>.626</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.21</td>
<td>.670</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018)
The findings in table 4.7 present the aggregated outcome of respondent’s opinions across an array of questions centering on the influence of employee empowerments on the performance of insurance companies. A scale of 1 – 5 was used, where; 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. The findings indicate that, respondents agree that, insurance companies provide important information to employees, such as training for decision making, with a mean of 4.33 (SD = 0.618). The respondents agree that, insurance companies delegate authority and impact making opportunities for employees with a mean of 4.03 (SD = 0.814). The respondents are in agreement that, insurance companies reward employees and recognize them for empowered behavior with a mean of 4.31 (SD = 0.681).

The findings indicate that, insurance companies ensure there is health and safety for their employees with a mean of 4.46 (SD = 0.603). The respondents agree that, providing information to employees, for instance through training for decision making contributes to improved overall performance of the company with a mean of 4.14 (SD = 0.696). The respondents are in agreement that, delegating authority creates opportunities for employees resulting to improved performance of the company, with a mean = 4.16 (SD = 0.669). The findings indicate that the respondents agree that, rewarding employees and recognizing them for empowered behavior improves the performance of the company with a mean of 4.02 (SD = 0.618). The respondents agree that, ensuring health and safety of employees improves the performance of the company, with a mean of 4.30 (SD = 0.626). The computed average mean is 4.21 (SD = 0.670), which indicates that respondents agree that employee empowerment contributes to enhanced insurance companies performance.

The findings show that employee empowerment focuses on giving employees freedom to exercise control over and take responsibility for outcomes of their efforts which is consistent
with findings by (Ratnam, 2006). The findings are also in line with views by Abadi and Chegini (2013) that employee empowerment is one of the most effective techniques to increase employee productivity and optimal use of capacities and capabilities of individual and group in line with organizational objectives. The findings highlight the importance of continued employee training to enhance productivity. This is constant with the findings by Shahsavavipour et al. (2013) who established that continuous training leads to improvement of employee’s performance.

The findings of this study are also consistent with the studies by Sahoo and Das (2011) who explained that the levels of employee skills and knowledge and the proficiency in communication contributes to improved levels of employee efficiency in the delivery of services. The study finds that rewarding employees enhances the levels of commitment to success due to motivation, this is consistent with the findings by Gugel (2016), who found employee rewards as one of the most important motivation factor central to enhanced employee performance and commitment to work success.

4.5.1 Correlation between Employee Empowerment and Performance of Insurance Companies

Correlation test examined the relationship between the independent variable employee empowerment and the independent variable performance of insurance companies.
Table 4.8 Correlation Test between Employee Empowerment and Performance

<table>
<thead>
<tr>
<th></th>
<th>Employee empowerment</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee empowerment</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.117**</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>90</td>
</tr>
<tr>
<td>Performance</td>
<td>Pearson Correlation</td>
<td>.117**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>90</td>
</tr>
</tbody>
</table>

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

Source: Survey Data (2018)

The findings in table 4.8, indicate the computed results for the bi-variate correlation test between, employee empowerment and the performance of insurance companies. The computed data registers an r-statistic value of 0.117, with p-value of 0.001 (p = 0.000, p < 0.01). The findings indicate that there exists a marginal positive statistical correlation between the employee empowerment and the performance of insurance companies. This implies that any change that occurs for employee empowerment contributes to a parallel marginal change in insurance companies performance.

4.5.2 Regression Analysis between Employee Empowerment and Performance of Insurance Companies in Mombasa County, Kenya

The regression analysis seeks to examine the association between the independent variable employee empowerment and the performance of insurance companies.
Table 4.9 Model Summary for Employee Empowerment on Insurance Company Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.117(^a)</td>
<td>.0137</td>
<td>.0124</td>
<td>.187</td>
</tr>
</tbody>
</table>

\(^a\) Predictors: (Constant), Employee empowerment

Source: Survey Data (2018)

The regression test findings presented in table 4.9 highlight the model summary for the effect of employee empowerment on the performance of insurance companies. The test, registers a R value of 0.117, and r-squared value of 0.0137. The findings indicate that there exists a correlation between employee empowerment on the performance of insurance companies. In addition, the findings indicate that, employee empowerment accounts for 1.24% in variability for organizational performance.

Table 4.10 ANOVA for Employee Empowerment on Insurance Company Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>.0132</td>
<td>1</td>
<td>.0112</td>
<td>5.341</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>3.084</td>
<td>88</td>
<td>.035</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3.084</td>
<td>89</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) Dependent Variable: Performance

\(^b\) Predictors: (Constant), Employee empowerment

Source: Survey Data (2018)

The findings in table 4.10, presents the analysis of variance between the means for employee empowerment and insurance company performance variables. The test was implemented in 0.01 significant level. The findings deduce a Fischer value, F (1, 88) = 5.341, which indicates a marginal variance between employee empowerment and insurance company performance. The p-value deduced is 0.008 (p < 0.01). This indicates that there exists a statistical association between employee empowerment and the performance of insurance companies in Mombasa County, Kenya.
Table 4.11 Coefficients for Employee Empowerment on Insurance Company Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>4.472</td>
<td>.345</td>
<td>12.962</td>
</tr>
<tr>
<td></td>
<td>Employee empowerment</td>
<td>0.015</td>
<td>.082</td>
<td>-.007</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance

Source: Survey Data (2018)

The findings in table 4.11 presents the coefficients output for the regression test between employee empowerment and organizational performance. The findings indicate that, the beta coefficients for constant, A is 4.472 and employee empowerment, X of 0.015. The deduced equation is: \( Y \) (performance) = 4.472 + 0.015\( X \) + \( \epsilon \). This indicates that, for every unit change that is recorded for employee empowerment, results in a 0.015-unit change for the performance of insurance companies in Mombasa County, Kenya.

4.6 Organization Culture

The study sought to evaluate the influence of organization culture on the performance of insurance companies. The data in table 4.12 aggregates the respondents’ views in descriptive statistics using measures of central tendencies mean and standard deviation.
Table 4.12 Organization Culture on the Performance of Insurance Companies

<table>
<thead>
<tr>
<th>Organization Culture factors</th>
<th>1 %</th>
<th>2 %</th>
<th>3 %</th>
<th>4 %</th>
<th>5 %</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee innovation and risk taking</td>
<td>0.0</td>
<td>0.0</td>
<td>22.2</td>
<td>55.6</td>
<td>22.2</td>
<td>4.00</td>
<td>.670</td>
</tr>
<tr>
<td>Results oriented</td>
<td>0.0</td>
<td>0.0</td>
<td>4.4</td>
<td>45.6</td>
<td>50.0</td>
<td>4.46</td>
<td>.584</td>
</tr>
<tr>
<td>Embracing team work</td>
<td>0.0</td>
<td>0.0</td>
<td>16.7</td>
<td>55.6</td>
<td>27.8</td>
<td>4.11</td>
<td>.661</td>
</tr>
<tr>
<td>Employee precision levels</td>
<td>0.0</td>
<td>4.4</td>
<td>2.2</td>
<td>48.9</td>
<td>44.4</td>
<td>4.33</td>
<td>.734</td>
</tr>
<tr>
<td>Innovation and risk taking on performance</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>47.8</td>
<td>52.2</td>
<td>4.52</td>
<td>.502</td>
</tr>
<tr>
<td>Result oriented on performance</td>
<td>0.0</td>
<td>0.0</td>
<td>5.6</td>
<td>40.0</td>
<td>54.4</td>
<td>4.49</td>
<td>.604</td>
</tr>
<tr>
<td>Team work on organization performance</td>
<td>0.0</td>
<td>0.0</td>
<td>3.3</td>
<td>34.4</td>
<td>62.2</td>
<td>4.59</td>
<td>.559</td>
</tr>
<tr>
<td>Employee precision on company performance</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>32.2</td>
<td>67.8</td>
<td>4.68</td>
<td>.470</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>4.40</strong></td>
<td><strong>0.598</strong></td>
</tr>
</tbody>
</table>

Source: Survey Data (2018)

The findings in table 4.12, highlights the feedback on the effect of organization culture on the performance of insurance companies. A scale of 1 – 5 was used, where; 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. The findings indicate that, insurance companies allow employees to be innovative and risk taking, recording a mean of 4.00 (SD = 0.670). The findings indicate that, insurance companies often focus on results rather than processes used to achieve them, recording a mean of 4.46 (SD = 0.584). The respondents agree
that insurance companies often arrange for work activities around teams rather than individuals, mean of 4.11 (SD = 0.661). The findings indicate that, employees in insurance sector exhibit high degree of precision, analysis and attention to detail, with a mean of 4.33 (SD = 0.734).

The findings indicate that, allowing employees to be innovative and risk taking improves the performance of the company with a mean of 4.52 (SD = 0.502). The respondents agree that, focusing on results rather than processes used to achieve them improves the overall performance of the insurance companies, with a mean of 4.49 (SD = 0.604). The findings indicate that, organizing work activities around teams rather than individuals improves the performance of the company, with a mean of 4.59 (SD = 0.559). The respondents agree that employees who exhibit high degree of precision, analysis and attention to detail contributes to improved overall performance of the company, with a mean of 4.68 (SD = 0.470). The computed average mean is 4.40 and standard deviation is 0.598, which indicates that the respondents agree that organization culture plays a critical role in the performance of insurance companies.

The findings show that organization culture defines the flow and approach to execution of organizational operational activities and how they are glued together, an opinion shared by Tharp (2010), who noted that culture is considered the glue that holds an organization together and for others, the compass that provides directions. In addition, the findings are in agreement with Nag (2011), who observed that organization culture influenced the performance of an organization as it determines the levels of employee commitment and individual performance.

The findings highlight the overwhelming importance of organizational virtues, principles and norms towards inspiring approach to the operational processes. These findings are in agreement with the findings by Needle (2004) who linked organizational principles and values towards
instilling discipline in execution of organizational strategy. Further, the findings agree with the views of Ravasi and Schultz (2006) who submitted that organization values contributed towards the levels of operational proficiency.

### 4.6.1 Correlation between Organization Culture and Performance of Insurance Companies

Correlation test examined the relationship between the independent variable organization culture and the independent variable performance of insurance companies.

**Table 4.13 Correlation Test between Organization Culture and Performance**

<table>
<thead>
<tr>
<th></th>
<th>Organization culture</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization culture</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>90</td>
</tr>
<tr>
<td>Performance</td>
<td>Pearson Correlation</td>
<td>.554**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>90</td>
</tr>
</tbody>
</table>

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

Source: Survey Data (2018)

The findings in table 4.13, indicate the computed results for the bi-variate correlation test between organization culture and the performance of insurance companies. The computed data registers an r-statistic value of 0.554, with p-value of 0.000 (p = 0.000, p < 0.01). The findings indicate that there exists a strong positive statistical correlation between the organization culture and the performance of insurance companies.
4.6.2 Regression Test between Organization Culture and Performance of Insurance Companies

The regression test evaluates the statistical effect of organization culture on the performance of insurance companies.

**Table 4.14 Model Summary for Organization Culture on Performance of Insurance Companies**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.554a</td>
<td>.307</td>
<td>.299</td>
<td>.156</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Organization culture

Source: Survey Data (2018)

The findings in Table 4.14 presents the model summary for the regression test between organization culture and performance of insurance companies. The R-value deduced is 0.554, and r-squared value of 0.307. The findings indicate that, there exists a strong positive correlation between organization culture and performance of insurance companies. Further, the findings indicate, organization culture account for 30.7% of variability in performance of insurance companies, and about 69.3% of variability attributed to factors external to organizational culture.

**Table 4.15 ANOVA for Organization Culture and Performance of Insurance Companies**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td></td>
<td>.948</td>
<td>39.039</td>
<td>.000b</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>88</td>
<td>.024</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3.084</td>
<td>89</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance

b. Predictors: (Constant), Organization culture

Source: Survey Data (2018)
The findings presented in table 4.15, highlights the analysis of variance between organization culture and the performance of insurance companies. The Fischer value, \( F(1, 88) = 39.039 \), indicates that there exists high variance between the means of organization culture and performance of insurance companies. The test was executed at 0.01 significant level, registering a \( p \)-value of 0.000 \( (p < 0.01) \). The findings indicate that there exists a significant statistical association between organization culture and the performance of insurance companies.

### Table 4.16 Coefficients for Organization Culture on Insurance Company Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.718</td>
<td>.278</td>
<td>9.789</td>
</tr>
<tr>
<td></td>
<td>Organization culture</td>
<td>.394</td>
<td>.063</td>
<td>.554</td>
</tr>
</tbody>
</table>

**a. Dependent Variable: Performance**

Source: Survey Data (2018)

The findings in table 4.16, presents the coefficients outcome, where the beta values for constant, \( A = 2.718 \) and organization culture, \( X = 0.394 \).

The test regression equation for the test is: \( Y \) (Performance) = \( A + BX + \epsilon \). The outcome test indicates that, the deduced equation is; \( Y \) (performance) = 2.718 + 0.394\( X \). The findings indicate that, for every unit change in organization culture results in a 0.394 unit change in the performance of the insurance companies.
4.7 Management Commitment
The study sought to evaluate the influence of management commitment on the performance of insurance companies. The data in table 4.17, present the respondents opinions on the effect of management commitment on the performance of insurance companies, aggregated in measures of central tendencies mean and standard deviation.

Table 4.17 Management Commitment on Insurance Company Performance

<table>
<thead>
<tr>
<th>Management commitment factors</th>
<th>1 %</th>
<th>2 %</th>
<th>3 %</th>
<th>4 %</th>
<th>5 %</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management emotional attachment</td>
<td>0.0</td>
<td>0.0</td>
<td>18.9</td>
<td>40.0</td>
<td>41.1</td>
<td>4.22</td>
<td>.746</td>
</tr>
<tr>
<td>Management gaining within organization</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>43.3</td>
<td>56.7</td>
<td>4.57</td>
<td>.498</td>
</tr>
<tr>
<td>Management commitment to obligations</td>
<td>0.0</td>
<td>0.0</td>
<td>8.9</td>
<td>40.0</td>
<td>51.1</td>
<td>4.42</td>
<td>.653</td>
</tr>
<tr>
<td>Management goal oriented</td>
<td>0.0</td>
<td>0.0</td>
<td>5.6</td>
<td>47.8</td>
<td>46.7</td>
<td>4.41</td>
<td>.598</td>
</tr>
<tr>
<td>Emotional attachment on performance</td>
<td>0.0</td>
<td>0.0</td>
<td>17.8</td>
<td>35.6</td>
<td>46.7</td>
<td>4.29</td>
<td>.753</td>
</tr>
<tr>
<td>Management gaining within organization on performance</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>41.1</td>
<td>58.9</td>
<td>4.59</td>
<td>.495</td>
</tr>
<tr>
<td>Management commitment to obligation on performance</td>
<td>0.0</td>
<td>0.0</td>
<td>4.4</td>
<td>47.8</td>
<td>47.8</td>
<td>4.43</td>
<td>.582</td>
</tr>
<tr>
<td>Management goal oriented on performance</td>
<td>0.0</td>
<td>0.0</td>
<td>6.7</td>
<td>53.3</td>
<td>40.0</td>
<td>4.33</td>
<td>.600</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.41</td>
<td>.616</td>
</tr>
</tbody>
</table>
Source: Survey Data (2018)

The findings in table 4.17, indicates there exists positive views on the effects of management commitment on the performance of insurance companies. A scale of 1 – 5 was used, where; 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. The findings indicate that, respondents agree that, management of insurance companies bear positive emotional attachment to their organizations in affective commitment, recording a mean of 4.22 (SD = 0.746). The findings indicate that insurance company’s management feel that they gain more by being in the organization than what they are losing by being in the organization through continuance commitment, with mean of 4.57 (SD = 0.498). The respondents agree that insurance companies’ management commit to remaining in the organization because of respect to their obligation, with a mean of 4.42 (SD = 0.653). The findings indicate that management of insurance companies commit to general targets like focusing on achieving goals with a mean of 4.41 (SD = 0.598).

The study makes a finding that when insurance companies management build a positive emotional attachment to the company, it improves the performance of the company, with a mean of 4.29 (SD = 0.753). The respondents agree that, management feeling that they are gaining more by being in the organization than what they are losing by being in the organization improves the performance of the company, recording a mean of 4.59 (SD = 0.495). The findings indicate that management committing to and remaining in organization because of feeling obligated improves the performance of the company, with a mean of 4.43 (SD= 0.582). The respondents agree that, management committing to general targets like focusing on achieving goals improves performance of the company with a mean of 4.33 (SD = 0.600). Average mean computed is 4.41
and standard deviation is $SD = 0.616$, which indicates that respondents agree that management commitment contributes to enhanced performance of insurance companies within Mombasa county.

The findings are in agreement with Yousaf (2010), who indicated that commitment from top management may be the most critical factor in the success of organizational programs which subsequently influences the overall performance of the organization. The findings of this study highlight the importance of management commitment towards influencing the pace of tasks undertaken in an organization.

These findings are consistent with the studies by Litie Njie et al (2008) who deduced that, top organizational management served as the driving factor in the implementation of organizational processes. Further, the findings of the study are consistent with the study by Levinge and Tang (2006) who submitted that top management commitment was central to the levels of quality in the processes executed by an organization especially promotion of strategic operational framework.

**4.7.1 Correlation between Management Commitment and Performance of Insurance Companies**

Correlation test examined the relationship between the independent variable management commitment and the dependent variable performance of insurance companies.
Table 4.18 Correlation Test between Management Commitment and Performance

<table>
<thead>
<tr>
<th>Management commitment</th>
<th>Pearson Correlation</th>
<th>Management commitment</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>.554**</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>90</td>
<td>90</td>
<td></td>
</tr>
</tbody>
</table>

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

Source: Survey Data (2018)

The findings in table 4.18 indicate the computed results for the bi-variate correlation test between, management commitment and the performance of insurance companies. The computed data registers an r-statistic value of 0.554, with p-value of 0.000 (p = 0.000, p < 0.01). The findings indicate that there exists a strong positive statistical correlation between the management commitment and the performance of insurance companies.

4.7.2 Regression Test between Management Commitment and Performance of Insurance Companies

The study performed a regression test to evaluate the underlying statistical association between management commitment and the performance of insurance companies.

Table 4.19 Model Summary for Management Commitment on Insurance Company Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.059a</td>
<td>.004</td>
<td>-.008</td>
<td>.187</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Management commitment

Source: Survey Data (2018)
The findings in table 4.19, presents the model summary on the influence of management commitment on the performance of insurance companies. The test deduces R-value of 0.059 and the r-square value of 0.004. This shows that there exists a marginal correlation between management commitment and the performance of insurance companies. Further, the findings indicate that, management commitment account for a marginal 0.4% in variability on the performance of insurance companies.

Table 4.20 ANOVA for Management Commitment on Insurance Company Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>.011</td>
<td>1</td>
<td>.011</td>
<td>1.312</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>3.073</td>
<td>88</td>
<td>.035</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3.084</td>
<td>89</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance
b. Predictors: (Constant), Management commitment

Source: Survey Data (2018)

The findings in table 4.20, presents the analysis of variance for the regression between management commitment on the performance of insurance companies. The Fischer value, \( F(1,88) = 1.312 \), which indicates that, there exists marginal variation in variances between mean positions in management commitment on the performance of insurance companies. The test, executes at 0.01, significance level, recording a p-value of 0.009. This indicates there exists an underlying marginal statistical association between management commitment and organizational performance of insurance companies.

Table 4.21 Coefficients for Management Commitment On Insurance Company Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
</tbody>
</table>

62
The findings in table 4.21 present the beta coefficients for the regression test, between management commitment versus company performance. The leveraged regression equation is,

\[ Y \text{ (performance)} = A + B \text{ (management commitment)} + \epsilon. \]

The beta coefficients deduced include, beta for \( A = 4.232 \) and the Beta for independent variable = 0.049. Therefore, the deduced equation for the test is,

\[ Y = 4.232 + 0.049X + \epsilon. \]

This indicates that for every unit change in management commitment, it will result in a 0.049 unit change in the overall performance of insurance companies.

### 4.8 Multivariate Regression Test between TQM Variables and Company Performance

The study performed a linear multivariate regression test between the independent variables versus the performance of the insurance companies in Mombasa County.

The data presented in table 4.22 highlights the computed outcome of model summary for the combined set of all the Total Quality Management factors in the performance of insurance companies.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.609</td>
<td>.371</td>
<td>.257</td>
<td>.144</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), customer focus, employee empowerment, organization culture, management commitment

Source: Survey Data (2018)
The findings deduced in table 4.22, presents the model summary for the combined TQM variables, which include; Customer Focus, employee empowerment, organization culture and Management Commitment. The R-Value deduced is .609, which indicates that there exists strong positive correlation between TQM factors and the performance of insurance companies in Mombasa County, Kenya. The R-Squared value deduced in the study is, 0.371, which indicates that, TQM factors notably; Customer Focus, employee empowerment, organization culture and Management commitment account for about 37.1 % of variability in the performance of insurance companies in Mombasa, which indicates that 62.9 % of variability is attributed to factors external TQM.

The data in table 4.23 presents the ANOVA table for the combined TQM variable on the performance of insurance companies in Mombasa County.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>1.144</td>
<td>4</td>
<td>.286</td>
<td>12.524</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>1.941</td>
<td>85</td>
<td>.023</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3.084</td>
<td>89</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance

b. Predictors: (Constant), Customer Focus, Employee empowerment, Organization culture, Management Commitment.

Source: Survey Data (2018)

The findings in table 4.23, indicates that the Fischer statistical value, F-statistic value is 12.524, which indicates that there exists, moderate significance between the variance in the means of independent variables. The test was implemented at significance level 0.01. The computed findings indicate that, the p-value deduced is 0.000 (p = 0.000, p < 0.01). This indicates that there exists a significant statistical association between the independent variables, notably;
customer focus, employee empowerment, organization culture and management commitment against on the performance of insurance companies in Mombasa County.

This test utilizes the coefficients output as presented in table 4.24, to map the inherent statistical effect of each total quality management variable on the performance of insurance companies.

**Table 4.24 Coefficients for Multivariate Regression Test of TQM Variables on Insurance Company Performance**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.512</td>
<td>.479</td>
<td>5.246</td>
</tr>
<tr>
<td></td>
<td>Customer focus</td>
<td>.208</td>
<td>.072</td>
<td>.272</td>
</tr>
<tr>
<td></td>
<td>Employee empowerment</td>
<td>.045</td>
<td>.066</td>
<td>-.059</td>
</tr>
<tr>
<td></td>
<td>Organization culture</td>
<td>.357</td>
<td>.063</td>
<td>.502</td>
</tr>
<tr>
<td></td>
<td>Management commitment</td>
<td>.066</td>
<td>.076</td>
<td>-.080</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance

Source: Survey Data (2018)

The findings in table 4.24, presents the coefficients outcome for the regression test, performed in 0.01, significance level. The test utilizes the primary regression analysis to build the regression test equation; $Y$ (performance) = $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$

Where: $X_1 =$ customer focus, $X_2 =$ employee empowerment, $X_3 =$ organization culture and $X_4 =$ management commitment, $\epsilon =$ error; $\beta_{1,2,3 \& 4} =$ beta coefficients.

The study deduces p-values for the independent variables; customer focus (p = 0.000, p< 0.01), employee empowerment (p = 0.005, p<0.01), organization culture (p=0.009, p < 0.01) and management commitment (p=0.008, p<0.01). This indicates that, all the findings are statistically significant, therefore the inferences deduced can be sampled for a larger spectrum and scope.
The beta coefficients for the test include; constant ($\beta_0 = 2.512$), customer focus ($\beta_1 = 0.208$), employee empowerment ($\beta_2 = 0.045$), organization culture ($\beta_3 = 0.357$) and management commitment ($\beta_4 = 0.066$).

Therefore, the regression equation deduced for this study is:

$$Y \text{ (performance)} = 2.512 + 0.208X_1 + 0.045X_2 + 0.357X_3 + 0.066X_4 + \epsilon$$

The findings indicate that, for every unit change in customer focus, results in a 0.208 unit change in insurance company performance, a unit change in employee empowerment will result in 0.045 units change in insurance company performance. Further, for every unit change in organization culture results in 0.357 units change in insurance company performance and finally, for every unit change in management commitment, will induce a 0.066 unit’s change in the performance of the insurance companies.

The findings highlight the influential role TQM practices contribute towards execution of administrative duties within the corporate organizations, resulting in enhanced operational efficiency, productivity and overall positive performance. The value of TQM approach on customer focus has been established in this study drawing parallels with findings by Yaacob (2014) and Asikhia (2010), who submitted that customer focus boosted organizational performance. Similarly, the findings in this study agree with submissions by Kariuki and Murimi (2015) who explained that, empowering employees expands the organizational capacity in executing its daily operations, thus increasing overall performance.

Further, the studies by Basharya (2014) and Litie et al. (2008) supported the role of organization culture in enhancing organizational performance. The findings in this study agrees with submissions of Basharya (2014) and Litie et al. (2008), with contextual focus on the insurance
companies within Mombasa County, that positive changes on the organization culture contributes to an equivalent positive changes on the overall performance of insurance companies. Finally the findings in this study are in line with contributions of Safari and Torkestani (2013), and Tzampelikos (2015) who explained that management commitment was central in enhancing the net performance increase registered in organizational corporate operate, such as the companies in the insurance sector within Mombasa County.
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

Chapter five presents the summary of the findings, conclusions, recommendations of the study and the suggestions for further studies. The main purpose of this study was to examine the influence of Total Quality Management (TQM) and the performance of insurance companies in Mombasa County, Kenya. The main areas of focus in pursuit of total quality management included examination of primary total quality management factors notably: customer focus, employee empowerment, organization culture and management commitment.

5.2 Summary of the Findings

5.2.1 Summary on Customer Focus Influence on the Performance of Insurance Companies

The study makes a finding that; customer focus wields significance influence on the performance of insurance companies. The analysis of data gathered from the field survey establishes that, customer focus factors recorded an average mean of 4.11, with an average standard deviation of 0.676. The study also makes a finding that customer focus accounts for 12.7% in variability for performance of insurance companies. An inferential aggregation indicates that, for a unit change in customer focus, it will induce a 0.273 unit’s change in performance of insurance companies.

The study makes a finding that customer focus factors wield significant influence on the performance of insurance companies in diverse ways. The study establishes that, insurance companies gather information on market forces and how it affects customer tastes and preferences presently and future. The study also establishes that, insurance company’s values
dissemination of information on customer intelligence to all organizational departments. Further, the study establishes that, customer focus factors notably; Changes based on market intelligence and thanking customer with rewards wield significant influence on the performance of the insurance companies.

5.2.2 Summary on Employee Empowerment Influence on the Performance of Insurance Companies

The study makes a finding that employee empowerment plays an important role in building a strong performing insurance company. The study deduces that employee empowerment factors deduced an average mean of 4.22, with an average standard deviation of 0.665. The study establishes that, employee empowerment records a marginal variance in correlation, with employee empowerment accounting for about 1.37% on the variability for the performance of insurance companies. The study establishes that a marginal positive association between employee empowerment and insurance company performance, registering an inference where for every unit change that occurs for employee empowerment, a 0.015 unit’s change occurs on the performance of insurance companies.

The study established that all the employee empowerment factors wield a significant influence on the performance of insurance companies. The study establishes that insurance companies create enabling environment for its employees where they are able to access important information. The study also establishes that insurance company has embraced the approach of delegating responsibilities to junior staff. The study makes a finding that insurance company’s value recognizing employee efforts in all they do as it contributes positively to the performance of the company. The study established that insurance companies make efforts to offer employees
safety and healthy lifestyles to enhance their productivity and the overall performance of the company.

5.2.3 Summary on the Influence of Organization Culture and the Performance of Insurance Companies in Mombasa

The study makes a finding that organizational culture is a significant factor that wields significant influence on the performance of insurance companies. The study registered an aggregated average mean for all the organizational culture factors at 4.40, with an average standard deviation of 0.598. The study registered a strong positive correlation between organization culture and the performance of insurance companies, recording 30.7% organizational culture variability on the performance of insurance companies. The study also established that a statistical association exists between organizational culture and the performance of insurance companies, with a unit change in organizational culture triggering a 0.394 unit’s change in performance of the insurance companies.

The study established that all the organizational culture factors wield a significant effect on the performance of the insurance companies. The study makes a finding that, insurance companies have embraced innovation and risk taking. The study also established that insurance companies, place premium on the overall results generated for all the operational processes. Further, the study makes a finding that insurance companies highly value organizing its activities and operations along teams. The study established that, insurance companies value employees who demonstrate high levels of precision, analysis and attention to detail.
5.2.4 Summary on the Influence of Management Commitment on the Performance of Insurance Companies in Mombasa County

The study makes a finding that organization management commitment yields a significant influence on the performance of the insurance companies. The study establishes an aggregated average mean for all the management commitment factors at 4.41, with an average standard deviation of 0.616. The study established a positive marginal correlation between management commitment and the performance of insurance companies, which recorded about 0.4% in management commitment variability on the performance of insurance companies. Further, the study draws a significant statistical association that can be inference with a unit change in management commitment recording a 0.049 unit’s change in performance of insurance companies.

The study makes a finding that the management commitment factors wield a significant influence on the performance of insurance companies. The study deduces that, insurance company’s management commits emotional attachment to their roles within the companies. The study finds that a management perception in terms of the benefits and rewards they accrue by staying in the company wields influence on the performance of insurance companies. The study makes a finding that, the management commitment to diligently undertaking their obligations, wielded positive influence on the performance of insurance companies. Finally, the study found that management which is goal oriented contributed to significant positive performance of the insurance company.
5.3 Conclusion

5.3.1 Customer Focus
The study concludes that, customer focus is an important component in the overall performance of insurance companies. Gathering information on the state of market forces relating to the consumer tastes and preferences presently and in future yields significant influence on the performance of insurance companies. The Dissemination information on customer intelligence to all the organizational departments yields a significant influence on the performance of the insurance companies. Further, the study posits a conclusion that constant pursuit of changes that are based on market intelligence contributes significantly on the performance of insurance companies. Finally rewarding customers forms the best incentive which yields significant influence on the performance of insurance companies.

5.3.2 Employee Empowerment
The study concludes that employee empowerment forms a critical appraisal initiative within an organization that leads to positive performance of the insurance companies. Offering employees access to information yields positive impact on their execution of roles and the subsequent performance of the organization. Delegation of authority to the junior staff encourages them to be responsible hence resulting to the positive performance of the insurance company. Further, rewarding employee’s efforts contributes to increased commitment among the employees towards their roles which results in enhanced organizational performance. Finally, paying attention to employee health and safety, enhances employee commitment to the success of the organization which enhances organizational performance.
5.3.3 Organization Culture
The study concludes that organizational culture plays a significant influence on the performance of insurance companies. Innovation and creativity is crucial in boosting overall company productivity and the overall organizational performance. Focusing on achieving goals and accruing positive results enhances the performance of insurance companies. Allocating operational tasks to teams made up of employees results in increased overall organizational performance. Finally, recruiting employees with high levels of precision, focus and attention to detail improves the productivity of the company.

5.3.4 Management Commitment
The study concludes that management commitment wields sizeable effect on the overall performance in insurance companies. The level of emotional attachment that an organizational leadership imposes on the organization in which they work will result in a positive organizational performance. The perception of management teams on the benefits they accrue from being attached to the organization influences their work output and the overall company performance. Organization management team commitment to their obligations impacts on the overall organizational performance. Finally, management that is goal oriented is more focused to success thus impacting on the performance of the company.

5.4 Recommendations
The study recommends that insurance companies commit a significant amount of financial resources towards sponsoring market research programs whose main task will be to observe and map out customer patterns. These research programs should be conducted with focus centering on tracking on the customer tastes and preferences.
The study makes a recommendation that, companies within the insurance sector commit to adoption of smarter organization management practices like embracing a communication structure that enhances inter-organizational communication. In addition, such communication structure should focus on strengthening smooth flow of information between different organizational departments in order to enhance organization productivity.

The study recommends insurance companies to devise employee motivation strategies that would enhance the levels of employee commitment towards delivery of success for the organization. Areas of motivation that have significant impact on employees in the insurance sector include delegation of duties and responsibilities, guarantee security and ensure access to healthcare.

The study recommends that insurance companies embrace a future oriented approach towards adoption of strategic approaches through the investments on innovation. The investments on innovation should be geared towards improving the overall performance of the organization.

The study makes a recommendation that the management of insurance companies embrace structured management practices which illustrates a clear delimitation in operational obligations. This should be implemented through adoption of a clear execution framework for insurance company managers and integration of goal-oriented mechanisms in enhancing the performance of insurance companies.

5.5 Suggestions for Further Studies

This study sought to examine the effect of Total Quality Management on performance of insurance companies in Mombasa County, Kenya. Along the process of putting together the research document, numerous subjects relating to total quality management came across. The
researcher recommends further research on the following areas; effect of management commitment variables on the financial performance of insurance companies, evaluation into the role of motivation among insurance company workers on the overall productivity of insurance companies and a study on the role of organization culture in maximizing productivity for insurance companies. The study also recommends future researcher to explore on the role of TQM in facilitating efficiency levels on the critical aspects of customer service delivery for insurance companies in Kenya.

REFERENCES


Kenya Insurance Act. 2015


Schwartz, D. (2009). Environmental and positional Antecedents of Managerial Commitment to service quality


APPENDIX I: APPROVAL OF RESEARCH PROJECT PROPOSAL
KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 4180

Internal Memo

FROM: Dean, Graduate School

DATE: 31st March, 2017

TO: Michael Maingi Mbuva
C/o Business Administration Dept.

REF: D33/MSA/PT/27256/2014

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting 29th March, 2017 approved your Research Project Proposal for the M.B.A Degree Entitled, “Total Quality Management and Performance of Insurance Companies in Mombasa County Kenya”.

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University’s Website under Graduate School webpage downloads.

Thank you.

ELLIJAH MUTUA
FOR DEAN, GRADUATE SCHOOL

cc.: Chairman, Business Administration Department.
Supervisors:

I. Dr. Lawrence Wainaina
C/o Department of Business Administration
Kenyatta University

EM/lnn
KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke
P.O. Box 48844, 00100
NAIROBI, KENYA
Tel. 8710901 Ext. 57530

Our Ref: D53/MSA/PT/27256/2014
DATE: 31st March, 2017

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30623-00100
NAIROBI

Dear Sir / Madam,

RE: RESEARCH AUTHORIZATION FOR MICHAEL MAINGI MBUVA — REG. NO.
D53/MSA/PT/27256/2014

I write to introduce Mr. Michael Maingi Mbuva who is a Postgraduate Student of this
University. He is registered for M.B.A degree programme in the Department of Business
Administration.

Mr. Michael intends to conduct research for a M.B.A Project Proposal entitled, “Total Quality
Management and Performance of Insurance Companies in Mombasa County Kenya”.

Any assistance given will be highly appreciated.

Yours faithfully,

MRS. LUCY N. MBAABU
FOR: DEAN, GRADUATE SCHOOL
APPENDIX III: NACOSTI RESEARCH APPROVAL

THIS IS TO CERTIFY THAT:
MR. MICHAEL MAINGI MBUVA
of KENYATTA UNIVERSITY, 75785-200 NAIROBI, has been permitted to conduct research in Mombasa County

on the topic: TOTAL QUALITY MANAGEMENT AND PERFORMANCE OF INSURANCE COMPANIES IN MOMBASA COUNTY KENYA

for the period ending:
30th July, 2019

Applicant’s Signature

Permit No: NACOSTI/P/18/79319/24024
Date Of Issue: 1st August, 2018
Fee Received: Ksh 1000

Director General
National Commission for Science, Technology & Innovation
APPENDIX IV: LIST OF INSURANCE COMPANIES IN MOMBASA

- AAR Insurance Kenya
- APA Insurance – part of Apollo Investments Company
- Africa Merchant Assurance Company (AMACO)
- Apollo Life Assurance
- AIG Kenya Insurance Company
- British-American Insurance Company Kenya Limited
- Cannon Assurance Company Limited
- Capex Life Assurance Company
- CIC General Insurance
- CIC Life Assurance
- Corporate Insurance Company
- Directline Assurance Company
- Fidelity Shield Insurance Company
- First Assurance Kenya Limited
- GA Insurance Company
- Geminia Insurance Company
- ICEA LION General Insurance Company
- ICEA LION Life Assurance Company
- Intra Africa Assurance Company
- Invesco Assurance Company
- Kenindia Assurance Company
- Kenya Orient Insurance
- Liberty Life Assurance Kenya Limited
- Madison Insurance Company Kenya
- Mayfair Insurance Company
- Mercantile Insurance Company
- Metropolitan Life Insurance Kenya
- Occidental Insurance Company
- Old Mutual Life Assurance Company
- Pacis Insurance Company
- Phoenix of East Africa Assurance Company
- Pioneer Assurance Company
- Resolution Insurance Company
- Sanlam Kenya plc – was Pan Africa Life Assurance
- Takaful Insurance of Africa
- Tausi Assurance Company
- Heritage Insurance Company
- Jubilee Insurance Company Limited
- Monarch Insurance Company
- Trident Insurance Company
- UAP Insurance Company
- UAP Life Assurance Company
- Xplico Insurance Company
Kindly note this is an academic exercise with a view of collecting information in regards to:

**Total quality management and performance of insurance companies in Mombasa county Kenya.** All the information collected shall be treated as confidential and shall be used for research purposes only.

**Instructions**

Please answer all the questions. You can tick in the spaces provided or write in the space provided.

**PART A: GENERAL INFORMATION**

Please tick the correct answer.

1. **GENDER**

   Male [ ]  
   Female [ ]

2. **AGE CATEGORY (years.)**

   18-30 [ ]  
   30-40 [ ]  
   40-50 [ ]  
   50-60 [ ]

3. **MARITAL STATUSES**

   Single [ ]  
   married [ ]  
   Divorced/Separated [ ]  
   widow/widower [ ]
4. HIGHEST LEVEL OF EDUCATION

High school [ ] Diploma [ ] Degree [ ] Masters [ ]

5. HOW MANY YEARS HAVE YOU WORKED FOR THE COMPANY

0-5 [ ] 5-10 [ ] Above 10 [ ]

6. JOB GROUP

Branch Managers [ ] Branch underwriters [ ] Customer service Assistant [ ]
PART B: RELATIONSHIP BETWEEN TOTAL QUALITY MANAGEMENT AND PERFORMANCE OF INSURANCE COMPANIES

The tables below provide various statements regarding the relationship between total quality management and performance of insurance companies under topics; customer focus, employee empowerment, organizational culture and management commitment.

Please indicate the extent to which you agree or disagree with each statement by ticking where appropriate using the scale: SA- Strongly Agree, A-Agree, N- Neutral, D-Disagree and SD- Strongly Disagree.
## Customer Focus

<table>
<thead>
<tr>
<th>Statement</th>
<th>SA</th>
<th>A</th>
<th>N</th>
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</thead>
<tbody>
<tr>
<td>1. The company gathers and understands customer preferences and needs along with market forces affecting the needs and preferences now and, in the future.</td>
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<td>2. The company disseminates customer intelligence to all relevant departments and individuals in the organization</td>
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<td>3. The company changes processes, products and services based on good market intelligence to realize the reward of being market-oriented company</td>
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<td>4. The company thanks and rewards customers for buying from them</td>
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<tr>
<td>5. Gathering and understanding customer preferences and needs along with market forces affecting needs and preferences now and, in the future, improves the performance of the company.</td>
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<tr>
<td>6. Disseminating customer intelligence to all relevant departments and individuals in the organization improves the performance of the company</td>
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<td>7. Changing processes, products and services based on good market intelligence to realize the reward of being market-oriented company improves the performance of the company</td>
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<tr>
<td>8. Thanking and rewarding customers for buying from the company improves the performance of the company</td>
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### Employee Empowerment

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<tbody>
<tr>
<td>1. The company provides information to employees e.g. through training for decision making</td>
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<tr>
<td>2. The company delegates authority and impact opportunities to employees</td>
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<tr>
<td>3. The company helps employees feel rewarded and recognized for empowered behavior</td>
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<td>4. The company ensures there is health and safety of employees</td>
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<tr>
<td>5. Providing information to employees e.g. through training for decision making improves the performance of the company</td>
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<td>6. Delegating authority and impact opportunities to employees improves the performance of the company</td>
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<td>7. Helping employees feel rewarded and recognized for empowered behavior improves the performance of the company</td>
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<td>8. Ensuring health and safety of employees improves the performance of the company</td>
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## Organizational Culture

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<tbody>
<tr>
<td>1. The company allows employees to be innovative and risk taking</td>
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<td>2. The company focuses on results rather than processes used to achieve them</td>
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<td>3. The company organizes work activities around teams rather than individuals</td>
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<td>4. The employees exhibit high degree of precision, analysis and attention to detail</td>
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<tr>
<td>5. Allowing employees to be innovative and risk taking improves the performance of the company</td>
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<td>6. Focusing on results rather than processes used to achieve them improves the performance of the company</td>
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<td>7. Organizing work activities around teams rather than individuals improves the performance of the company</td>
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<td>8. Employees exhibiting high degree of precision, analysis and attention to detail improves the performance of the company</td>
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# Management Commitment

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<tbody>
<tr>
<td>1. Management have a positive emotional attachment to the company (affective commitment)</td>
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<td>2. Management feel they are gaining more by being in the organization than what they are losing by being in the organization (continuance commitment)</td>
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<td>3. Management commits to and remain in organization because of feeling of obligation (Normative commitment)</td>
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<td>4. Management commits to general targets e.g. focusing on achieving goals</td>
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<td>5. Management having a positive emotional attachment to the company improves the performance of the company</td>
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<td>6. Management feeling, they are gaining more by being in the organization than what they are losing by being in the organization improves the performance of the company</td>
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<td>7. Management committing to and remaining in organization because of feeling obligated improves the performance of the company</td>
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<td>8. Management committing to general targets e.g. focusing on achieving goals improves performance of the company</td>
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## Performance

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<tr>
<td>1. The level of revenue collected reflects the performance of the company</td>
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<td>2. The level of profit made reflects performance of the company</td>
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<td>3. The level of return on investment reflects the performance of the company</td>
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<td>4. The level of sales made by the company reflects the performance of the company</td>
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<td>5. The level of Market share of the company reflects performance of the company</td>
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<td>6. The level of customers loyalty to the company reflects performance of the company</td>
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<td>7. The share price changes either through appreciation or depreciation reflects the performance of the company</td>
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<td>8. The level of dividends paid reflects performance of the company</td>
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<td>9. The level of investor confidence in the company reflects the performance of the company</td>
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