

**OPERATIONAL EXCELLENCE STRATEGY AND FIRM PERFORMANCE OF
SELECTED INSURANCE COMPANIES IN KENYA**

**RAPHAEL KIBICHI
D53/CTY/PT/31496/2015**

**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN
PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF A
DEGREE IN MASTER OF BUSINESS ADMINISTRATION (STRATEGIC
MANAGEMENT) OF KENYATTA UNIVERSITY**

NOVEMBER 2023

DECLARATION

This research project is my original work and has not been presented for grading at any university or institution.

Signature  Date: 17/11/2023

Raphael Kibichi
D53/CTY/PT/31496/2015

This research project has been submitted for review with my approval as university supervisor.

Signature  Date: 20th Nov 2023

Dr. Linda Kimencu,
Department of Business Administration,
School of Business,
Kenyatta University.

DEDICATION

I would like to dedicate this research project to my family and friends. I thank you for all you have done for me.

ACKNOWLEDGEMENT

I am sincerely grateful to my supervisor Dr. Linda Kimencu for her support and advice during the writing of this project project. I would like to thank Dr. Kimencu for her continued support, reading and reading numerous drafts of my work and teaching me how to write a research paper. In addition to my supervisor, I would like to thank my classmates for their advice, support, suggestions, and ideas over the study period. I am grateful for the support that I have received from my family, I would like to thank them for sharing in the ups and downs of writing a research project.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLES	viii
LIST OF FIGURES	ix
ABBREVIATIONS AND ACRONYMS	x
OPERATIONAL DEFINITION OF TERMS	xi
ABSTRACT	xii
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study.....	1
1.1.1 Firm Performance	2
1.1.2 Operational Excellence Strategy.....	3
1.1.3 Insurance Industry in Kenya	5
1.2 Statement of the Problem.....	7
1.3 Objectives of the Study.....	9
1.3.1 Specific Objectives	10
1.4 Research Questions	10
1.5 Scope of the Study	10
1.6 Significance of the Study	11
1.7 Limitations of the Study.....	11
1.8 Organisation of the Study	11
CHAPTER TWO: LITERATURE REVEIW	13
2.1 Introduction	13
2.2 Theoretical Review	13
2.2.1 Dynamic Capabilities Theory	13
2.2.2 Theory of Economic Development.....	14
2.2.3 Deming Theory	14
2.3 Empirical Literature Review	15
2.3.1 Customer Centric Approach and Firm Performance	15

2.3.2 Innovation and Firm Performance	17
2.3.3 Agility and Firm Performance	19
2.3.4 Development of Capabilities and Firm Performance.....	20
2.4 Summary of Literature Review and Research Gaps	22
2.5 Conceptual Framework	26
CHAPTER THREE: RESEARCH METHODOLOGY	28
3.1 Introduction	28
3.2 Research Design.....	28
3.3 The Target Population.....	28
3.4 Sample Design.....	29
3.5 Data Collection Instruments.....	30
3.6 Validity of Data Collection Instrument.....	30
3.7 Reliability of the Data Collection Instrument	30
3.8 Data Collection Procedure	31
3.9 Data Analysis and Presentation.....	31
3.10 Ethical Considerations.....	32
CHAPTER FOUR: FINDINGS AND DISCUSSIONS	33
4.1 Introduction	33
4.2 Response Rate	33
4.3 Research Instrument Reliability.....	33
4.4 Demographic Characteristics of the Respondents.....	34
4.5 Operational Excellence Strategy	35
4.5.1 Customer-Centric Strategies	36
4.5.2 Innovation Strategy	37
4.5.3 Agility	39
4.5.4 Development Capabilities.....	40
4.6 Performance	42
4.7 Inferential Analysis	44
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....	47
5.1 Introduction	47
5.2 Summary of Findings	47

5.3	Conclusions	48
5.4	Recommendations	49
5.5	Recommendation for Future Studies.....	49
REFERENCES.....		51
APPENDICES		59
	Appendix 1: Research Questionnaire.....	59
	Appendix 2: Performance Indicators for Insurance Firms in Kenya	63
	Appendix 3: Indicators of Insurance Penetration in Kenya	64
	Appendix 4: Performance of Selected Insurance Firms in Kenya.....	65
	Appendix 5: Licensed Insurance Companies in Kenya (2020)	66
	Appendix 6: Sample of the Study	67
	Appendix 7: Research Permit	68

LIST OF TABLES

Table 2.1: Summary of Literature Review and Research Gaps	22
Table 4.1: Reliability Results.....	33
Table 4.2: Respondents' Age Profile	34
Table 4.3: Education Level and Length of Time at the Firm.....	35
Table 4.4: Customer-Centric Strategies	36
Table 4.5: Innovation Strategies	38
Table 4.6: Agility Strategies	39
Table 4.7: Development Capabilities.....	41
Table 4.8: Performance	42
Table 4.9: Overall Performance	43
Table 4.10: Summary of the Regression Model	44
Table 4.11: Analysis of Variance (ANOVA)	44
Table 4.12: Results.....	45

LIST OF FIGURES

Figure 2.1: Conceptual Framework	26
Figure 4.1: Respondents' Gender	34

ABBREVIATIONS AND ACRONYMS

CAE	Canadian Award for Excellence
CWQC	Company-Wide Quality Control
EFQM	European Foundation for Quality Management
MBNQA	Malcolm Baldrige National Quality Award

OPERATIONAL DEFINITION OF TERMS

- Agility:** The capability of an organisation to quickly change its operations in order to adapt to changing internal and external conditions in productive and cost-efficient manner.
- Customer-Centric:** Customer-centric approach consists of strategies implemented by management to focus on the needs of each unique customer and customer segment with the aim of improving customer satisfaction.
- Developmental Capabilities:** This entails the development of the firm through change management, expansion of areas of operations, and process management are essential for creating and sustaining operational excellence.
- Insurance Company Performance:** This can be conceptualised in two ways. The first entails financial/monetary attainment which includes profit gains, increase in market share, and cost reduction. The second approach entails non-financial achievements such as improved quality of goods and/or services, improved delivery, increased insurance covers, and increase in coverage levels.
- Innovation:** This refers to the ability of the firm to continuously adapt to changing customer needs, competitor behaviour, and external environment. Innovation can take the form of new products and services, new ways of offering services, and new ways of doing business.
- Operational Excellence Strategy** This is a management strategy that entails implementing strategies such as customer-centric approach, innovation, agility, and development capabilities to increase market share, grow profits, improve the utilization of the factors of production, eliminate waste and reduce costs.

ABSTRACT

In Kenya, the insurance sector is one of the critical pillars of the economy. Government has identified this sector as one of the components needed to stimulate and support economic growth. However, the sector faces numerous challenges. According to the AIC Capital Ltd, the main challenge facing the insurance sector in Kenya is the low penetration and the high level of competition. The average level of insurance penetration in Kenya during the period 2013-2022 stood at less than 3% in an industry with approximately 56 firms. To increase penetration levels and enhance competitiveness, the insurance firms in Kenya have introduced operational excellence strategies. The general objective of the study was to determine the effect of operational excellence strategy on firm performance in Insurance Companies in Kenya. The specific objectives were to determine the effect of using customer-centric strategy, innovation, agility, and developmental capabilities on firm performance. Firm performance was indicated using the growth of market share, growth in customer base, and penetration level. The study was anchored by the dynamic capabilities' theory, the theory of economic development, and the Deming theory. The study used a descriptive research design. The target population for the study were all licensed insurance firms in Kenya. The study used a census sampling technique and sampled 44 firms. The unit of observation in the study was the managers' in-charge of corporate strategy and firm performance. The study sampled one hundred and sixteen managers working at the respective insurance firms. Information was obtained using closed-ended questionnaires. The research instrument was subjected to validity and reliability tests. The reliability test was done using Cronbach's Alpha with a cut-off point of 0.7. The data for the study was evaluated using descriptive and inferential statistics. The study established that the firms used customer-centric strategies because the firms' activities were focused on the customers' needs and expectations. The study established that the firm was continuously innovating its products, product mix, and services to better serve the customers. The study found that the firm has measures in place that were meant to adapt it to changing circumstances including dynamic capabilities to detect external threats, competitive responsive techniques, continuous adjustment and adaptations and new strategic initiatives that rapidly responded to changing circumstances. These are indicators of agility. The study established that the insurance firms had various development capabilities including research, training programs, increasing expertise and knowledge acquisitions. The results of the inferential analysis indicated that customer-centric ($\beta = 0.193, p - value = 0.000$); innovation ($\beta = 0.162, p - value = 0.007$); agility ($\beta = 0.232, p - value = 0.000$) and development capabilities ($\beta = 0.295, p - value = 0.000$) strategies had positive and statistically significant effects on the performance of the insurance firms surveyed in this study.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The prevailing business environment in all parts of the world has put pressure on the management of firms to put in place strategies and measures that enable them to respond rapidly and effectively to changing business environment, societal expectation and ideologies in order to ensure that their firms survive and provide value to the stakeholders (Bolboli & Reiche, 2013). Further, globalisation has increased the pressure on management as it has increased the level of competition and opened up new customer needs and requirements. This has forced firms to reinvent themselves by adopting excellence strategies (Job & Sanghamitra, 2010).

In a survey of insurance companies across the globe, Deloitte (2015) found that insurers were facing a myriad of challenges that included reducing pricing power, lower and erratic investment returns and heightened competition. In addition to the challenges identified by Deloitte (2015), BTOES (2020) found that insurance companies have been forced to contend with ever changing customer needs and expectations, dynamic and constant changes in technology which disrupt their way of doing business, and challenges of getting products to the market quickly. A survey of sixty-nine insurance companies in North America, Latin America, Europe, Middle East and Africa, and Asia Pacific region it was found that operating costs were a significant challenge for insurance firms with 25% of every premium dollar being used to cover operating costs (KPMG, 2019). In addition to these problems, the COVID-19 pandemic has severely disrupted the operations of insurance firms ranging from employee and business performance to consumer behaviour. Consequently, these challenges have impacted

the operational performance of the insurers and have reduced their ability to grow (Coforge, 2020).

In the survey conducted by KPMG (2019) it was established that 94% of the insurance firms were actively design and using operational efficiency and excellence strategies to mitigate the challenges that they face. The strategies include process redesign, implementation of lower cost styles, and modernisation. According to Miliken and Company (2019) for firms to survive and grow they must continuously implement operational excellence strategies.

1.1.1 Firm Performance

According to Oira (2017), there is no standard definition of firm performance. This is because performance measures give an indication of different process performed by different organisations. According to Lui, Ke, Kee Wei, and Hua (2013), the firm's performance is measured by evaluating the actual achievements against the planned achievements. These measures include market share, financial performance such as profits, new products, cost of production, and expansion of the area of operations. Merodi and Steeple (2000) indicate that operational performance includes financial and non-financial performance. The aim of using operational performance is to capture the full scope of the firms' achievements.

Sheahadeh et al. (2016), argue that firm financial outcomes can be conceptualized in two ways. The first entails financial/monetary attainment which includes profit gains, increase their share of the market, and reduce costs. Approach number two entails non-financial achievements such as improved quality of goods and/or services, improved delivery, customer and employee satisfaction, and the effect on the community. Satyendra (2014) indicated that firm activity outcomes can be considered by taking into consideration people, customer, operational, monetary outcomes, and share of the market. Kipkurui (2011) the insurance industry in Kenya

uses measure of performance including profits, costs, customer numbers, market share, and penetration of the market. In this study organisational performance was measured by growth in market share, growth in profits, and penetration levels. The penetration levels refer to the level of uptake of insurance (Gitau, 2013).

1.1.2 Operational Excellence Strategy

Jacobs (2007) defines operational excellence strategy as the gains attained when the firm's management fully participate in all the aspects of the organisation's operations with the aim of improving and simplifying processes, lowering the direct and indirect costs incurred by the firm, enhancing the efficiency and effectiveness of labour and capital, and eliminating waste. Duggan (2009) defines organisational excellence strategy as an all-encompassing approach used by organisations to enhance the efficiency and effectiveness of daily operations. The approach is developed to be in line with the strategic plans and objectives of the organisation. Van (2011) asserts that organisational excellence strategy is a term that refers to approaches adopted by companies in order to attain increased production and high-quality delivery systems. Sutton (2012) defined operational excellence strategy as the strategic focus on maximising the delivery of services to clients through enhanced leadership, maximisation of the human resources capabilities of the company, utilization of the recommended industry practices and use of value addition.

The concept of operational excellence strategy in business was first put forward by professional associations, groups and industries in Japan. The methodologies were developed from what had been learned from Deming after World War II. In 1951, the first award recognising business excellence by firms, the Deming Prize, was introduced (Balvir, 2010). Thereafter, recognition of excellence in business spread with the introduction of the Canadian Award for

Excellence (CAE) in 1984 in Canada, the introduction of the MBNQA in 1987 in the United States (Sheahadeh, Al-Zoubi, Maqableh, & Akhorshaideh, 2016). In Kenya, operational excellence strategy is indicated by best-in-class benchmarks that are universal in nature (Rono & Gachunga, 2016). This is indicated by best in class in the firm's industry. In this study, operational excellence was conceptualised to include customer centric approach, innovation, agility, and development capabilities.

Customer-centric approach consists of strategies implemented by management to focus on the needs of each unique customer and customer segment with the aim of improving customer satisfaction (Lee, Kozlenkova & Palmatier, 2014). The customer-centric approach is achieved by studying the customers to understand their needs, developing and nurturing closer relationship with customers, anticipating their needs, meeting and exceeding customer expectations, enhancing customer value, and improving customer satisfaction (Kumar, Venkatesan, & Reinartz, 2008). In a customer-centric model communication and knowledge of customers is prioritised over internal functional operations. For example, the Dell Company which manufactures computers and software redesigned its business processes and departments according to its customer segments which included large enterprises, public entities, small and medium businesses, and individual customer division. This configuration helped the firm understand the needs of each customer and create solutions to meet their needs (Day, 2006).

In order to remain competitive and relevant, organisations rely heavily on innovation (Makimi, 2015). The capability of the firm to innovate enhances its ability to compete in markets. Innovation strategy is a key pillar of operational excellence strategy as it allows the firm to continuously adapt to the changing customer needs, competitor behaviour, and external

environment (Rejis, 2020). The forms of innovation include process, product, marketing and organisational (Burdick, 2020).

Agility is the capability of an organisation to rapidly adjust to changing environmental and market conditions in a productive and cost-efficient manner (McCune, 2020). The concept of agility arises from the theory of business agility where by the firm uses its main principles of adaptive systems and technological innovation to achieve success. For an organisation to be agile it must be able to sense and identify emerging trends, track leading indicators and conduct predictive analysis; respond to new innovations by competitors quickly, decentralise decision making, and assess results and modify operations, and; adapt quickly which entails the reconfiguration of processes and operations, scale up or down depending on the changes in demand, and continually improve (Koushik, 2013).

The capabilities of the firm include the resources that are intangible and tacit, the include knowledge, experience and skills of the employees as well as organisational processes (Hond, 1996). The development of capabilities through change management, expansion of areas of operations, and process management are essential for creating and sustaining operational excellence (Moore, 2016). The aim of development capabilities is to take the business to the next level and to help the firm to continue to be relevant.

1.1.3 Insurance Industry in Kenya

This is one of the main sectors of the economy. The government has identified this sector as one of the components needed to stimulate and support economic growth (Insurance Regulatory Authority, 2018). The insurance sector in Kenya consists of 56 insurance companies, 8698 agents and 216 brokers (Insurance Regulatory Authority, 2021). The insurance sector is an important segment of the economy as it provides financial cover for

financial losses from a variety of perils faced by individuals and firms (Okoth, 2015). The insurance companies provide cover against theft, fire, weather damages, medical conditions, loss of income, disability, and death (Ariss, 2010).

In order to achieve sustainability, and profit efficiency, insurance firms in Kenya have to undertake various strategies including the use of operational excellence to grow their customer base and profits. According to Nyangau (2015) in order to deal with the dynamic business environment business manager across the world and in Kenya have begun to adapt the operational excellence strategies. Kantabutra and Avery (2010), assert that the adaptation of the operational excellence strategy is meant to minimise variances in operations, ensure optimisation and align the firm's activities with its objectives.

The outcomes of the firms in the insurance sector in the period 2016-2021, the gross premium income realised by the firms grew from Ksh 174,039,164 to Kshs. 234,775,753 representing a 35% increase. Similarly, the income generated by agents through commission rose from Kshs. 10,833,473 to Kshs. 11,157,093 during the period 2016-2021. The growth in commissions implies that the agents were able to increase the sale of insurance covers. The value of the assets held by the firms in this industry also increased significantly during the period; the total increase in the value of assets was 32% on the value registered in 2015. The performance has been attributed the business strategies used by the firms (Okoth, 2021).

However, despite the growth in income and value of assets, overall outcome of insurance firms in Kenya still has various challenges. According to AIC Capital Limited (2018), a major challenge of the insurance sector in Kenya is that it still remains mostly provided and used in the urban centres with Nairobi County accounting for 65.1% and 77% of life and non-life

insurance premiums respectively. Further, the insurance companies have a challenge with penetration of the market.

Over the period 2013-2020 insurance penetration decreased by 20.3%, the population grew by 16.5%, the insurance density (in KES) grew by 54.9%, the number of lives covered doubled, the policies issued increased by 29.0%, the insurance covered as a percentage of the population grew by 22%, the number of insurance covers in terms of policies remained fairly stable, the rate of inflation was range bound at between 4.7-5.7, and the real gross direct premium growth declined from 9.2% to -0.29%. When evaluated against the total population, the insurance density was less than 5,000 per annum against a population of more than 47 million people. The insurance cover for the population is also very low. The findings summarised in industry reports raise questions of the efficacy of operational excellence strategy with regard to performance of the insurance segment in Kenya. Industry reports shows that the insurance firms were unable to increase their market shares.

1.2 Statement of the Problem

The insurance industry in Kenya has been identified as an engine for growth. However, it has encountered numerous challenges. According to the AIC Capital Ltd (2018), the main challenge facing the insurance sector in Kenya is the low penetration. Over the period 2013-2020 the level of insurance penetration declined by 10% (IRA, 2013; 2021). The low penetration levels imply that the insurance companies have not been able to growth their customer base and expand their market. Further, there is a very high level of competition within the industry. The industry despite having 56 companies is dominated by three firms which control approximately 50% of the market.

The competitive market and changing customer trends and needs have forced the firms to use operational excellence strategies in their business activities so as to attain their goals and cope with competitive forces. Despite these efforts, the insurance firms have been unable to increase their performance in areas such as market share, customer numbers, profits, and penetration levels. The penetration levels remain below 3%, the market shares of most companies is less than 5%, and the real gross premium growth was negative during the periods 2017-2020 (IRA, 2021). These statistics raise the question of the efficacy of operational excellence strategy on firm performance in the insurance industry.

Various studies tried to understand the relationship between operational excellence strategy and firm performance. Bergquist and Ramsing (1999) established that the effect of operational excellence strategies on performance was not conclusive. Additionally, they found that there was little or no difference in the performance of firms that used the excellence strategies and those that did not. Dotun (2012) established that the main benefit to an organisation from the operational excellence strategies was that the firm was able to benchmark its performance against the best practice in different areas. According to Dotun (2012) if the firm conducted the evaluation in a proper manner, they would be able to identify areas where they could improve performance. Nzoka (2013) established that operational excellence strategies had a positive and significant effect on firm performance. Masrom, Rasi, and Daut (2017) established that operational and business excellence strategies do not impact the performance of the firm. Sony (2018) established that operation excellence initiatives were being implemented by firms in various sectors of the economy. Initial, Sony (2018) found that the initiatives yielded positive results but in the long run there were no positive outcomes from implementing operational excellence strategies. These contradicting findings indicate that more studies need

to be conducted in different context to understand the relationship between operational excellence strategy and firm performance.

In addition to the difference in findings that are conceptual, contextual, and methodological gaps in the studies conducted. Phan, Abdallah, and Matsuri (2011), Al- Abdallah, Abdallah and Bany (2014), and Al-Zu'bi, Tarawneh, Abdallah, and Fidawi (2015) conducted studies in Jordan, Japan, Korea, USA, and Italy this study focused on the Kenyan context. In Kenya, various studies have been conducted to understand the relationship between operational excellence strategies and firm performance. Chirhcir (2018) focused on methods of quality assurance and management and the resultant effects on the operational performance of insurance firms. Chrichir (2018) found that insurance firms implemented quality management practices to a great extent. However, Chirchir (2018) did not evaluate the extent to which the insurance companies implemented customer-centric approach, innovation, agility, and development capabilities. This research study filled this conceptual gap. Wahab, Ismail, and Muhayiddin (2016) evaluated the elements that determine operational excellence strategies of SMEs in Malaysia using secondary data and systematic literature review, the researchers found that internal and external environmental factors influence operational excellence. Wahab et al (2016) used secondary data and systematic literature review this research work was based on data gathered directly for individuals working in the respective firms. The researcher aims to increase knowledge on the relationship between operational excellence strategy and firm performance.

1.3 Objectives of the Study

The main objective of the study is to establish the relationship between operational excellence strategy and firm performance in insurance companies in Kenya.

1.3.1 Specific Objectives

To establish the effect of customer-centric approach on firm performance of insurance companies in Kenya.

- (i) To determine the effect of innovation on firm performance of insurance companies in Kenya.
- (ii) To evaluate the effect of agility on firm performance of insurance companies in Kenya.
- (iii) To establish the effect of development capabilities on firm performance of insurance companies in Kenya.

1.4 Research Questions

- (i) What is the effect of customer-centric approach on the performance of insurance companies in Kenya?
- (ii) What is the effect of innovation on the performance of insurance companies in Kenya?
- (iii) What is the effect of agility on the performance of insurance companies in Kenya?
- (iv) What is the effect of development capabilities on the performance of insurance companies in Kenya?

1.5 Scope of the Study

The unit of analysis in this study are the insurance companies licenced by the IRA as at January 1st 2023. There were 56 companies licenced to carry out various forms of insurance in Kenya as at January 1st 2023. Due to the fact that some companies were reinsurances and some were subsidiaries, the sample of the study was reduced to 44 insurance companies. Information was obtained from managers working at the respective insurance companies. The study was also be limited to the period 2016-2022. This period was chosen as it provides sufficient information to answer the research questions. The study was anchored by the dynamic

capabilities theory, theory of economic development and Deming theory. There are various elements of operational excellence strategy and firm performance but the researcher only focused on customer centric approach, innovation strategy, agility, and development capabilities which directly impact the performance of insurance companies such as growth in market share, growth in profits, and penetration levels.

1.6 Significance of the Study

The findings of this study will help regulators of the insurance industry identify best practice and excellence strategies that can be embraced by the sector so as to improve performance, especially market penetration. The findings of the study will help the management of firms to identify the elements of operational excellence strategies that are effective and those that are ineffective. This will allow them to formulate strategies that will achieve the firm's objectives. The results of this research work will be useful to researchers and scholars. Researchers will be able to identify the relationship between operational excellence and firm performance. Additionally, the study can be used as a reference for future studies.

1.7 Limitations of the Study

The results and conclusion of this research work depend on information gathered from the respondents' using questionnaires. The information provided might be biased as it is based on self-reports given by the respondents. The researcher combined the different data collection instruments to enhance the validity of the responses. Additionally, the data collection process might be hampered by the Covid 19 pandemic and social distancing restrictions. Thus, the researcher might have to use google questionnaires instead of printed questionnaires.

1.8 Organisation of the Study

The research project is provided in five parts. The first section provides an introduction to the research work by giving the background on the performance of insurance industries and the

use of operational excellence strategies. The problem statement, objectives, scope of the research, implication of the study, and limitations are also given in section one. The second section contains both theoretical and empirical literature on operational excellence strategies and insurance company performance, the research gaps are identified and conceptual framework is developed from the literature review. The third section summarises the methodology that was applied to gather and analysis information. In chapter three, the design of the research and the population of interest in this research work were identified. The data collection and analysis procedures are also discussed in section three. The fourth chapter provides the results of the data collection and provides an analysis of the responses given. The fifth chapter provides a summary of the overall study and makes recommendations based on the findings.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This part of the research provides a systematic review of the literature that relates the organisation excellence and firm performance. This section also provides a review empirical studies that have evaluated the relationship between operational excellence strategies and firm performance. A summary of research gaps and the conceptual framework are also provided in this chapter.

2.2 Theoretical Review

2.2.1 Dynamic Capabilities Theory

This hypothesis is attributed to the work of Teece, Pisano, and Shuen (1997). This theory focuses on the ability of a company to adjust, construct, and redesign internal and external capabilities so that it can keep up with constantly changing business environment. The main argument of the theory is that the organization's main competencies are the ingredients needed to formulate short-term competitive strategies and to develop long-term competitive advantages. The Dynamic Capabilities Theory (DTC) has three fundamental presumptions. Firstly, the firm needs to have the capability to detect and shape opportunities. Secondly, the firm has to develop capabilities to seize opportunities. Thirdly, the organisation has to have the capability to reconfigure its assets to maintain competitiveness (Teece, 2007).

According to Ofoegbu and Akanbi (2012) firms operating in the 21st Century need to embrace dynamic capabilities concept in order to be agile. This is because the business environment is very dynamic and firms need to adapt in appropriate time. According to PricewaterhouseCooper (2018) and Oyerinde, Olatunji, and Adewale (2018) firms in Africa often record poor performance and have low survival rates because they lack the agility to

respond to the dynamic business environment. Studies have shown that firms which are agile achieve superior performance (Kamau & Wanyoike, 2018; Bakhsh-Magsi et al, 2018).

2.2.2 Theory of Economic Development

The arguments in this theory were put forward by Schumpeter (1934). In this theory, Schumpeter discusses business cycles, entrepreneurship, democracy and innovation (Pol & Carrol, 2006). Schumpeter identified innovation as the main element in economic change because any economic change revolves around innovation. Innovation consists of the development of new goods and services; development of new ways of producing output and service delivery; the opening up of a new market; searching for new sources of inputs; and re-organisation of the production processes with the firm.

According to Ziemnowicz (2020), there is a circular flow of economic activity that comes about due to the successful implementation of innovation by firms. The aim implementation of innovation results in to real profits. These innovations provide the firm with market power which delivers better performance results than invisible hand and price competition (Nakamura, 2000). In their study Danso, Hu, Addai, and Mensah (2018) found that the innovation of new products and services resulted in higher profits for the firm because they face minimal competition in the intimal stages. As time progresses, the competitors catch up, however, if the firm continues to innovate new products, processes, and markets they are likely to consistently attain high profits, grow their customer base, and increase their market power.

2.2.3 Deming Theory

This is attributed to the papers written by Deming (1986). Deming (1986) postulates that the main function of the firm is to ensure the implementation of strategies that ensure the reduction of the costs so that satisfaction can be improved and that the loyalty of the customers is

maintained. According to Deming (1986) quality is when products and services are uniform and available at low cost and are suited for the market. Deming (1993) established that there are two approaches of attaining quality. First when the firm focuses on improving the quality, this requires that the costs increase. However, overtime these costs reduce. The second is when the firm focuses on costs. The costs initially increase resulting in the reduction in the quality of goods and services. According to Deming (1993), organisational management is limited to quality management problems. In order for the firm to attain high levels of excellence, the firm has to put in place measures to improve the quality of their goods and services.

Deming (1986) indicated that there are 14 main principles to manage the quality. These include: ensuring that the objectives of the firm revolve around quality and quality improvement; elimination of the use of inspections as a means of achieving quality; adoption of new philosophies; stop giving contracts on tags; continuous innovation; on-job training; enhance the quality of leadership; elimination of barriers between departments; elimination of barriers that erode workers' rights; and elimination of factors that deprive managers their workmanship pride. Bondigas (2020) points out that the Deming hypothesis is flawed because it does not take into consideration the implementers of the strategy, the role and importance of the workers are not spelt out in the theory yet they are critical to the success of the strategy.

2.3 Empirical Literature Review

2.3.1 Customer Centric Approach and Firm Performance

Nwokah and Maclayton (2006) analysed the manner in which customer-centric approach affected the performance of consumer goods makers in Nigeria. The researchers used triangulation methodology. Primary information was obtained from relevant managers working at the 72 firms sampled using questionnaires. Secondary information was obtained

from the Nigerian Stock Exchange Gazette and the financial statements of the respective firms. The information was analysed using SPSS. The analysis found that there was no statistical relationship between customer-centric approach and business performance of the firms sampled.

Bonacchi and Perego (2011) evaluated whether profitability improves with the use of customer-centric strategies. The investigation was done using case study approach. The work focused on a mobile content provider which they called company.net with the firm's real name being hidden for confidentiality reasons. The researchers used qualitative data and used the longitudinal approach. The researcher found that customer-centric approach had significantly increased the profits of the firm. However, the firm needed to realign its structures and operations to facilitate the customer-centric approach.

Yacoob (2014) purposed to determine all the effects of customer-centric measures on the financial and non-financial outcomes of public firms. The information was collected from 205 municipal managers in Malaysia using questionnaires. The outcomes measures were innovation, employee satisfaction, and cost reduction. The researcher established that customer-centric measures directly affect innovation, employee satisfaction, and cost reduction. In the structural model, it was established that customer-centric measures affect innovation and cost reduction but are determined by employee satisfaction.

Lee, Sridhar, Henderson, and Palmatier (2015) investigated the effect of customer-centric structure on long-term financial performance. The researchers tested the hypothesis that customer-centric strategies increased firm performance. The researchers used longitudinal data for the period 1998-2010 from Fortune 500 firms. The researchers used the duelling mediator

model in order to allow for endogeneity in the firms' different organisational structure choice. It was found that customer-centric structures that were set at the corporate level gave the company's customers better satisfaction but also cost significantly more to implement. The researchers found that customer-centric strategies had mixed effect. The yields of having higher client satisfaction reduced as the competitors adopted the strategy being used; in fragmented markets, it was found that very few specific and unique customer demands were left unaddressed, and; in less profitable industries. The researcher concluded that the use of customer-centric approach only results in positive performance in only specific settings.

2.3.2 Innovation and Firm Performance

Salim and Sulaiman (2011) assessed the association between organisational innovations on firm performance. The research focused on ICT firms based in Malaysia. The researchers hypothesised that technological, marketing and administrative innovations increased statistically the financial and non-financial achievements of organizations. The study sampled 1488 SMEs firms listed on the National ICT Association of Malaysia. The information was gathered using questionnaires. The results of the assessment support the hypothesis that organisational performance positively and significantly impacts performance.

Makiimi (2016) investigated the manner in which firm innovation, creativity and IT impact the profitability. The focus was on Safaricom Limited. The study population consisted of one hundred and twenty employees, customers, and agents of Safaricom in Nairobi County Kenya. The majority of respondents indicated that innovation was a central part of the firms' strategy. They indicated that the firm would not be profitable if there were no innovations. The study established that comprehensive management strategies, product and service diversification,

employee innovation autonomy and innovative marketing had significant and increasing impacts on performance.

Tuan, et al., (2016) examined how innovations made by the firm affected financial and non-financial outcomes. The researchers focused on industrial firms in Hanoi, Vietnam. Firm performance included production, market, and financial performance. Innovation was measured using process, marketing, and organizational change. The researchers used primary data collected using questionnaires. The researchers found that innovation statistically increased the financial outcomes of the firms included in the study.

Mai, Vu, Bui, and Tran (2019) investigated the lasting effects of innovation of firm profitability by focusing on an economy in transition. The study was conducted in Vietnam. The study used data from micro-enterprises which did not have state ownership during the time 2005 -2015. The data was collected from 2655 firms. The researchers also used primary data collected from the firms. The researchers found to engaging in innovative practices significantly increases the profitability of the firms only in the short-run and not in the long-run.

Hu, Danso, Mensah, and Adddai (2020) tested whether innovation influences the performance of star-rated hotels in Ghana. The independent variable innovation was indicated using procedure, merchandise, promotion, and company innovation. Performance was measured using market value, growth, customer satisfaction, and profitability. The population of the study consisted of 2969 hotels. The researchers only sampled hotels with star rating. The study size was thus narrowed down to 455. Information was collected using structured questionnaires. It was estimated using hierarchical regress method. The researchers found that

innovation had a palpable and mathematically relevant impact on performance. However, the cost of implementing these strategies significantly reduced the profitability.

2.3.3 Agility and Firm Performance

Kuleelung and Ussahawanitchakit (2015), investigated the agile capabilities of various ICT companies and the resultant impacts in Thailand through the middle man effect of effective marketing strategies, enhanced productivity, excellence in business strategies and competitive advantage. Information was obtained from 153 ICT firms. The information was evaluated using ordinary least square regression. The study established that responsiveness, competency, flexibility, and speed disclosure which were all indicators of the agility of the respective firms had a positive and statistically significant effect on performance. The study established that marketing effectiveness, organisational productivity, and business excellence, competitive advantage increases the positive association between the agility and firm performance. The culture of the market in which the firms operated, the vision for the future, and the availability of resources were found to be the antecedents of the firm's agility.

Edegroote and Marx (2014) investigated the manner in which agile approaches affected financial outcomes in manufacturing organisations in the United States. For the review, information was gathered from 193 manufacturing companies using questionnaires. The researchers tested the relationship using causal steps strategy, product of coefficients, and bootstrapping. The results of the three-test showed that agility impacts firm performance.

Wangasa (2018) analysed association between strategic agility and profitability. In the study agility was indicated using organisation, people, technology, and planning. Performance was indicated using profit growth, sales revenue, financial strength, and operational efficiency. The

census research design was adopted for the study. Information was obtained using questionnaires. The researcher found that agility statistically increased the firm performance.

Nurjaman, Rahayu, Wibowo, and Widjajani (2020) analysed the role of agility towards the firm performance by surveying logistic firms in Indonesia. In the study, the dimensions of agility included strategic sensitivity, leadership unity, and resource fluidity. Firm performance was indicated by asset growth, employee growth, return of investment, and customer satisfaction. The researchers used purposeful sampling technique. The researchers used statistic testing. Information used in the study was gathered using questionnaires. The researchers uncovered a direct relationship between agility and firm performances. However, when the moderating role of competitive strategy was considered, the relationship was found to be negative.

2.3.4 Development of Capabilities and Firm Performance

Ahmed, Kristal, and Pagell (2014) analysed the manner in which development capabilities affect the firm on performance in times of downturns. The study focused specifically on operational and marketing capabilities. The study used the resource-based theory and top management team literature. The study established that marketing and operational capabilities impact the firm's performance. They established that operational capabilities were most important during economic down-turns when compared to marketing capabilities. Both had similar impacts during times of economic growth.

Lin and Huang (2012) analysed the effect of dynamic capabilities and its effects on firm performance. The research was conducted through the review of different theories and empirical studies. The researchers found that dynamic capabilities were a central part of the firm's development capabilities. These capabilities were found to have an impact on the firm's

performance. The researchers established that employee developments affect the change management in the firm which affect performance. The higher the development of employees the higher were the firm's returns.

Muiruri, Kahuthia, and Muraguri (2019) analysed the effect of employee development on organizational performance. The researchers focused on Rift Valley Machinery Services Limited. Employee development was indicated by skills development, employee participation in decision making, expansion of workers aptitudes and capabilities, information on changes in the processes, and training on new processes and machines. The target population consisted all the employees of firm. The researchers sampled 30% of the target population who were selected at random. The researchers found that employee development had statistically positive impacts on the financial outcomes.

Salah and Alabaddi (2019) investigated the impact of organisational development on firm performance. The dimensions of organisational development studied included development, empowerment, recruitment, innovation and organisation. Firm performance was indicated by business intelligence with focus on data collection, reporting, and transfer. The researchers used the analytical descriptive methodology. The study population consisted of firms listed on the Jordanian Joint Stock Companies. Data for the study was obtained by using questionnaires. The researchers found that there was a mathematically relevant effect at the level of 0.05 for organisational development on firm performance.

Pham and Hoang (2019) studied the association between the development of capabilities and the profitability of identified firms in Hanoi. Development of capabilities was indicated using learning capabilities which included business thinking, the commitment of the management to

learning, willingness to experiment and try new things, and information and learning transfers and integration. The target population of the study were MBA students studying in universities in Hanoi, Vietnam. The researchers showed that the commitment of the managers to learning and the dissemination of knowledge and integration had an additive and mathematically relevant effect on the performance of the companies investigated. System thinking and openness and experiment culture had additive but not mathematically relevant effect on business performance.

2.4 Summary of Literature Review and Research Gaps

The review of empirical literature highlighted several research gaps. Table 3.1 summaries these gaps.

Table 0.1: Summary of Literature Review and Research Gaps

Researcher(s)	Aim of the Research	Key Findings	Identified Research Gap
Ahmed, Kristal, and Pagell (2014)	Effect of developmental capabilities on firm performance in times of downturns	Developmental capabilities affected organisational performance during economic downturns	Analytical Gap: Ahmed et al., (2014) focused on periods of economic downturns. This study filled the research gap by focusing on period 2013-2019 which was a period of economic growth
Bii & Wanyoike (2014)	Influence of customer-centric strategy on competitive advantage on CFC Stanbic Bank	Customer centric approach had positive effect on competitive advantage	Methodological Gap: That study had a narrow scope focusing only on one entity. This study increased the number of observations to focus on an industry
Bonacchi and Perego (2011)	Effect of customer-centric approach on firm profitability	Customer centric approach had a significantly increased firm profits	Methodological Gap: The study only focused on one firm which could have skewed the findings. This study expanded the scope to include more firms

Edegroote and Marx (2014)	Relationship between agility and firm performance in manufacturing firms in United States	Agility was found to impact firm performance	Methodological Gap: The methodology used in that study were caudal step strategy, product of coefficients, and bootstrapping. This study used inferential and descriptive analysis
Hu et al. (2020)	Influence of innovation on performance of star-rated hotels in Ghana	Innovation had a palpable and statistically significant effect on performance	Contextual Gap: Hu et al (2020) focused on star-rated hotels in Ghana. Ghana has a booming tourism industry thus innovation affected performance differently. This study focused on insurance companies in Kenya where the insurance sector has challenges attracting customers
Lin and Huang (2012)	Effect of dynamic capabilities and its effects on firm performance	Developmental capabilities were found to impact firm performance	Conceptual Gap: Lin and Huang (2012) focused only on developmental capacities. This study focused on more dimensions of organisational excellence
Mai et al. (2019)	Lasting effects of innovation on firm profitability	Innovative practices significantly increase profitability but only in the short-run with no long-run effects	Conceptual Gap: Mai et al (2019) focused on small and medium sized firms. These firms often have limited scope of operation. This study focused on large entities which have large scope of operation which will affect the impact of strategies
Makimi (2015)	Effect of organisational innovation and information technology on firm performance	Innovations in management strategies, product and service diversification, employee innovation autonomy, and innovative marketing has a positive and statistically significant effect on performance.	Methodological Gap: Makimi (2015) sampled customers, agents, and employees of Safaricom in Nairobi County, Kenya. The perception of the customers and agents of the Safaricom are important but they did not have knowledge of how the innovative strategies specifically and individually affect firm performance. This study focused on the opinions of the firm insiders as they have access to data as to how innovative strategies affect the firm performance.

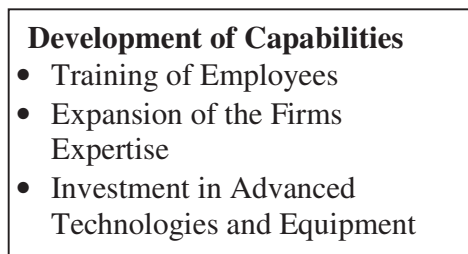
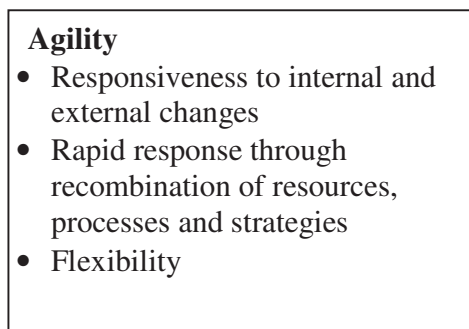
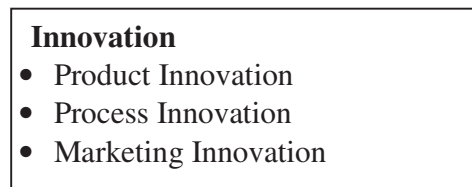
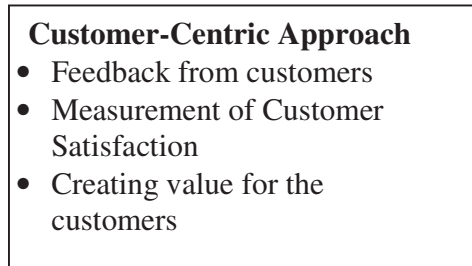
Nurjaman et al. (2020)	Role of Agility towards firm performance	There was a direct relationship between agility and firm performance. However, the when competitive strategy was used as a moderating variable no such relationship was evidenced	Methodological Gap: Nurjaman et al (2020) focused on agility and performance with the intervening role of competitive strategy. The researchers did not focus on the other elements such as innovation, development of capabilities, and customer-centric elements. This study filled this research gap but including the excluded elements
Pham et al (2019)	Relationship between development capabilities and business performance	Management commitment to learning and knowledge transfer and integration had positive and statistically significant effects on performance. System thinking and openness and experiment culture had positive but statistically insignificant effect on business performance	Contextual Gap: Pham et al. (2019) conducted their study in Vietnam giving a perspective from Vietnam. This study focused on Kenya
Salah and Alabaddi (2019)	Impact of organisational development on firm performance	The development, empowerment, recruitment, innovation and organisational had significant	Conceptual Gap: Salah and Alabaddi (2019) focused on innovation as a measure of development of capabilities. However, innovation has many dimensions can is an element on its own. This study filled this gap by studying development of capabilities and innovation separately

		effect on performance	
Tuan et al. (2016)	Effect of innovation on profitability	Innovation was found to have a positive effect on profitability	Contextual Gap: The study conducted their study in Vietnam and focused on industrial firms. Vietnam has a different economy than Kenya. This study filled the gap by focusing on insurance firms
Uğurlu and Çolakoğlu (2018)	Strategic agility and outcome	Technology and internal alignment had increased firm outcomes with the increases being statistically significant. Collaborative and organisational learning were found to no meaningful impacts on performance	Conceptual Gap: Uğurlu and Çolakoğlu (2018) only focused on agility which is only one part of operational excellence strategy. This study filled the gap by including other elements of operational excellence strategy
Wangasa (2018)	Relationship between strategic agility and firm performance	Agility positively and significantly affected firm performance	Methodological Gap: The researcher focused on commercial banks in Kenya thus no information is given about strategic agility and performance in other sectors of the Kenyan economy. This study filled this gap by focusing on insurance companies in Kenya
Yacoob (2014)	Direct and indirect effect of customer-centric measures on performance	Customer-centric measures had direct effect on performance but the indirect effects were minimal	Conceptual Gap: The researchers used innovation, employee satisfaction and cost reduction as customer-centric measures. This study expanded the measures of customer centric

Source: Authors Compilation (2023)

2.5 Conceptual Framework

Independent Variables



Dependent Variable

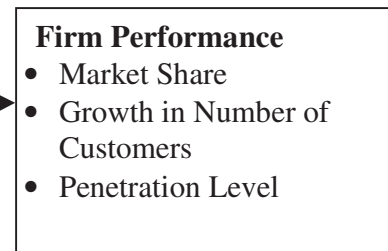


Figure 0.1: Conceptual Framework

Source: Researcher (2023)

Customer Centric Approach: Firms institute customer centric measures because the management belief that focus on the customer will enhance firm performance (Lee et al. 2020). The dimensions of innovation include product, process, and marketing innovation. Product innovations include new products and services that enhance performance such as use of technology and integration of software to meet the customer better than with the current products. Process innovation entails the use of new and considerably enhanced methods of development and distribution in the human resources, working practices so as to speed up process and enhance policy implementation. Marketing innovation entails the use of new marketing techniques and methods, and entering of new market.

Agility is the ability of the firm to continuously and appropriately responds and adjust within a timely manner to events that occur both internally and externally. Development of capabilities entails enhancing the collective skills, abilities and expertise of the firm. This can be done by investing in staffing, training, increasing compensation, and better communication. The investment in tangible assets such as plants and equipment ensure that the firm's future earnings will grow. The aim of deploying operational excellence strategy is to ensure that the firm improves its performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

In this section a discussion of the approach applied to fulfil the objectives of the study are summarised. This section of the study provides the research design, identifies the target population and sampling approach, the research instrument, the data collection approach and the methods used to analyse the data.

3.2 Research Design

This is method utilized by the researcher to obtain and analyse information (Kothari & Garg, 2014). According to Healey and Devance (2011), design of the research is the main tactic that is applied to consolidate the different segments of the study in a comprehensive and consistent way, thus making sure that the objectives of the researchers are fully and compressively addressed. It is the roadmap for the gathering, quantifying, and analysis of the information gathered. According to Healey and Devance (2011), design is determined by the type of study. A review of empirical literature showed that the most appropriate approach for this study is the descriptive research design (Otando, 2007; Bii & Wanyoike, 2014). The descriptive research allows the researcher to accurately and systemically describe the population, situation, or phenomenon understudy. The approach is used where the researcher intends to answer what, when, where, and how question (McCombes, 2019).

3.3 The Target Population

In research this refers to the complete set of elements, which includes persons and objects that have a common characteristic identified by the sampling criteria determined by the researcher. The target population are all the units that the study hopes to provide generalisations over

(University of Missouri, n.d.). The elements of interests for this research work are the insurance companies operating in Kenya. The Insurance Regulation Authority (IRA) (2022) states there are fifty-six entities registered to provide insurance services in Kenya as at 31st December 2022. These 56 companies form the target population of the study. 12 of the 56 licensed insurance companies are subsidiaries. To include subsidiaries as separate companies will be similar to double counting therefore, only the parent company were included. Thus, the study population narrows down to 44 companies.

3.4 Sample Design

This is the percentage or number of the elements identified as the target population who/which are actually included in the study (Cheyene, 2018). The process of sampling entails determining which of the units of the study population should be included in the study. Given that the target population is small, the researcher used census sampling. The researcher sought collect information from the 44 insurance companies by interviewing the relevant officials. The unit of analysis are the insurance companies in Kenya, the unit of observations were the employees working at the corporate departments of the insurance companies.

The different insurance companies have different departments and units. In addition, there are different reporting structure and managerial cadres in each insurance company. The researcher sought to collect information from managers who are in-charge of formulation, implementation, and evaluation of business strategies. The number of managers in-charge of formulation, implementation and evaluation of business study. The sample consist of 159 managers. The researcher used census sampling because the sample size is manageable.

3.5 Data Collection Instruments

According to Creswell and Creswell (2017), the research instrument used is determined by the research questions. In this study, the researcher intends to evaluate the relationship between operational excellence strategy and firm performance. This was achieved by seeking the perception of corporate strategy managers through the use of questions. The questionnaire was therefore, found to be the most suitable tool for the collection of information. McLeod (2018) advocates for the use of questionnaires when collecting data as they are relatively cheap method of collecting data; and they are quick and efficient method of collecting data from a large group of people. The questions in the questionnaire were structured. The questions were in the form of Likert scale.

3.6 Validity of Data Collection Instrument

In social sciences research, the measurements are usually in form of abstract and intangible constructs which are not observable. The findings and the inference from the study depend on the type of measurements. Therefore, the researcher has to ensure that the measurement tool used captures what it is intended to capture or put differently that the measurement tool is valid. Validity refers to the extent to which the data collection instrument measures what it was designed to measure (Bolarinwa, 2015). Validity of the research instrument was ensured by using theory and empirical literature to construct the questionnaire.

3.7 Reliability of the Data Collection Instrument

Reliability is the extent to which the information obtained from the data collection instrument and data collection method can be replicated (Wong, Ong, & Kuek, 2012). Reliability focuses on the degree to which the researcher using the same questionnaire would be able to obtain similar results in repeated data collection. The Cronbach alpha (α) was used to measure the reliability of the questionnaire. The value of the coefficient ranges from 0-1 which a score of

zero indicating that the data collection instrument is not reliable and one indicating absolute reliability of the instrument (Cronbach, 1951). An alpha coefficient which is greater than or equal to 0.7 is considered acceptable (George & Mallery, 2013).

3.8 Data Collection Procedure

Before setting out to collect data for the study, the researcher obtained permission Kenyatta University and the National Commission for Science, Technology and Innovation. All the insurance companies have offices in Nairobi City County. The questionnaires were dropped at the respective offices and collected after three weeks.

3.9 Data Analysis and Presentation

The research instruments were evaluated to ensure that they are properly filled out. Each questionnaire was numbered. Descriptive statistics were used to determine the extent to which the various elements of operational excellence are used by the organisation. The effect of operational excellence strategy on performance was evaluated using inferential statistics. This was through the estimation of equation 3.1

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \dots\dots\dots (3.1)$$

Where

Y denotes Firm Performance

$\beta_0 - \beta_4$ denotes Regression coefficients

X_1 denotes Customer Centric Strategies

X_2 denotes Innovation Strategies

X_3 denotes Agility Strategies

X_4 denotes Development Capabilities

ε denotes the error term

3.10 Ethical Considerations

The researcher Resnik (2015) states that ethics are the code of behaviour that distinguishes proper and acceptable conduct from improper and unacceptable conduct. Resnik (2015) indicates that it is important for ethics to be incorporated in research studies as they promote the aims of research which include knowledge, truth, and avoidance of error which restricts the falsifying or misrepresentation of data; they promote the values that are required for collaborative work given that research entails coordination between different institutions and individuals; and they ensure that the researcher is accountable to the public. Proper permission was obtained from the relevant government authorities and the respective organisations. The participants were appraised of the rights and obligations.

CHAPTER FOUR

FINDINGS AND DISCUSSIONS

4.1 Introduction

This section of the research work provides the findings of the data analysis and a discussion of the findings. In this section provides the response rate, description of operation excellence strategies used and the effect of independent variables on the dependent variable.

4.2 Response Rate

The targeted participants consisted of 159 individuals. The questionnaires were dropped at the respective head offices of the insurance companies. The questionnaires were collected over four weeks. Only 116 questionnaires were returned having been filled. The response rate was approximately 73 per cent. According to Fincham (2008), a response rate of 60 per cent or more is considered appropriate.

4.3 Research Instrument Reliability

The measurement of the repeatability of the questions in the questionnaire is summarised in Table 4.1.

Table 0.1: Reliability Results

Variable	Number of Items	Cronbach Coefficient
Customer Centric	6	0.802
Innovation	6	0.738
Agility	6	0.711
Development Capabilities	6	0.701
Performance	3	0.853

Source: Study Data (2023)

For each of the variables used in the study, the Cronbach Alpha coefficient was computed. All the five items had reliable elements given that the values returned were less than 0.7.

4.4 Demographic Characteristics of the Respondents

This section provides a summary of the participants characteristics. Figure 4.1 shows the gender of the respondents.

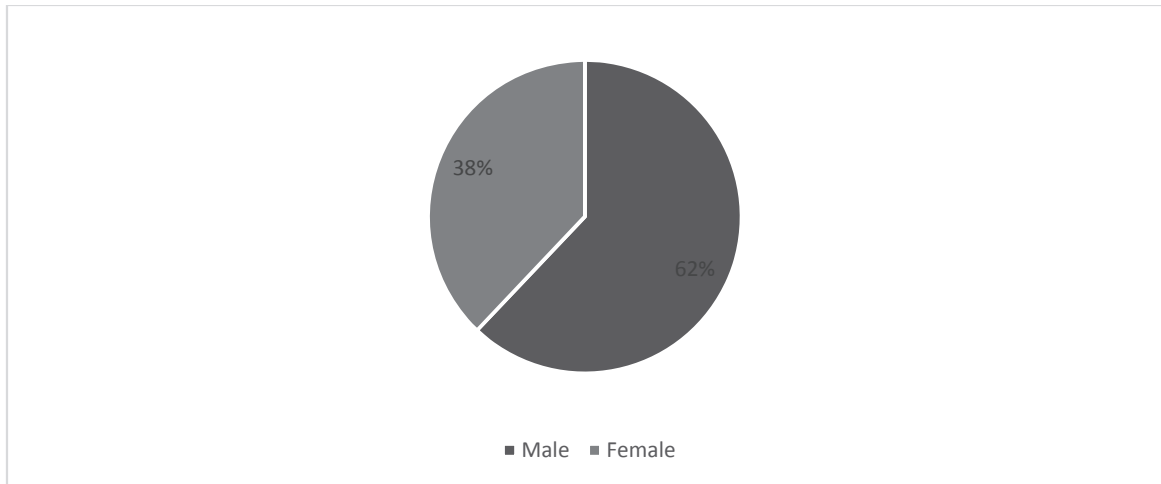


Figure 0.1: Respondents' Gender

Source: Study Data (2023)

The majority of participants (62%) were male. This suggests that in the firms surveyed most of the senior managers are males. Table 4.2 shows the ages of the participants.

Table 0.2: Respondents' Age Profile

Age	Frequency	Percent
31-40 years	42	36.2
41-50 years	48	41.4
Over 50	26	22.4
Total	116	100.0

Source: Study Data (2023)

The majority of respondents were between the ages of 41 - 50. There were only 26 respondents who were above the age of 50. Indicating that in insurance companies the senior and mid-level managers tend to be between the ages of 31 – 50 years. Table 4.3 provides a summary of the respondents' level of education and length of time at the firm.

Table 0.3: Education Level and Length of Time at the Firm

		Length of Time at the Firm			Total
		1 - 5 years	6-10	more than 10 years	
Level of Education	Diploma	5	2	3	10
	Bachelors	23	17	36	76
	Postgraduate Degree	6	10	14	30
Total		34	29	53	116

Source: Study Data (2023)

The findings show that a most of those who took part in this study had been at their respective firms for more than 10 years. This implies that the firms have good employee retention policies. The findings show that more than 100 of the respondents had university level of education. The length of experience and level of education indicate that most of the respondents had the knowledge necessary to participate in this study.

4.5 Operational Excellence Strategy

The study aimed to understand the operation excellence strategies used by insurance firms in Kenya. This section of the study presents the dimensions of strategies used.

4.5.1 Customer-Centric Strategies

The researcher sought to understand the customer-centric strategies used by the insurance firms in Kenya. Table 4.4 provides a summary of the strategies.

Table 0.4: Customer-Centric Strategies

Dimensions of Customer-Centric	N	Mean	Std. Deviation
The customers' well-being is at the centre of everything the company does	116	4.47	.625
Each distinct group of customers is assigned to a given business unit	116	4.55	.702
The firm determines the clients needs that have not been met and then quickly addresses them	116	4.86	.509
The firm encourages customer feedback	116	4.03	1.130
Customer satisfaction is measured on a regular basis	116	4.81	.394
The firm is always constantly seeking new ways to create value through its product and service mix	116	4.27	.664
Aggregate Mean		4.50	0.67

Source: Study Data (2023)

As shown in Table 4.4 the respondents agreed that the customers' well-being is at the centre of everything that the company does (M= 4.47; SD= 0.625). The respondents also agreed that their firms determine their customers' unmet needs and respond to them (M= 4.86; SD=0.509). According to Yaacob (2014), the application of measures that focus on the clients are an integral part of the firm's TQM, the firm moves beyond the objective of providing goods and services to meeting the customers' expectations.

The responses given in Table 4.4 suggest that the firms encourage feedback for the customer (M= 4.03). However, the degree to which the firms encourage feedback from the customers is varied (SD= 1.130). The respondents indicated that their firms are always trying to get customer value by creating a mix of products and services (M= 4.27; SD=0.664). This confirms the arguments of Lee, Sridhar et al. (2015) that firms which have a focus on the customer typically encompass a culture of gathering information and reacting to customer and customer information. The improvement in technology and data collection mechanisms means that the firm has various mechanisms for receiving feedback from the customers. This has enhanced the availability and sophistication of customer satisfaction metrics (Jain & Singh, 2019).

The overall mean for customer-centric dimensions was (M=4.50; SD=0.67). These findings indicate that the respondents agreed that customer-centric measures are part of their firms' operational excellence strategies. In academic literature, there is anecdotal evidence that operational excellence strategies are used by firms. The responses show that the surveyed insurance firms pursue this strategy systematically. Similar to the findings of Bonacchi and Perego (2011) the firms' activities are focused on the customers' needs rather than the products.

4.5.2 Innovation Strategy

Table 4.5 provides the responses given with regard to the innovation strategies used by insurance companies in Kenya.

Table 0.5: Innovation Strategies

Dimensions of Innovation	N	Mean	Std. Deviation
The firm is continually creating new products	116	4.81	.394
The firm offers existing products and services through mobile and internet platforms	116	4.40	.491
The firm constantly innovates new products and services to build new markets	116	4.79	.552
The firm is always looking for new market openings	116	4.05	1.045
The firm is always developing new ways of doing business i.e., new processes	116	4.26	.866
The firm undertakes system innovations in order to enhance the operating processes thus allowing for efficiency.	116	4.86	.346
Aggregate		4.53	0.62

Source: Study Data (2023)

The respondents agreed that the firm continuously creates new products (M= 4.81; SD=0.394). The respondents also agreed that the firm is constantly innovating new products and services to build new markets (M=4.79; SD=0.552). The responses indicate that the innovation amongst the insurance firms surveyed is about the newness of ideas as pertains to new products and processes (Mai et al., 2019). The respondents indicated that their firms provide insurance products through mobile and internet platforms (M= 4.40; SD=0.491). The use of mobile and internet platforms suggests that firms are using technological innovations to better adapt to the business environment that relies on these platforms to conduct business (Tuan et al., 2016).

The respondents indicated that their firms are always developing new ways of doing business (M=4.26; SD= 0.866). This implies that the firms are responding to competitive forces within the markets that they operate. Hu et al., (2020) argue that firms in the service sector like

insurance firms, need to continually develop new business processes so that they can distinguish themselves from other firms. Li, Gagliardi and Miles (2019) indicate that firms in the insurance sector introduce novel products which include added coverages and additional benefits which can be thought of as innovations because they are a novel way of doing business. The respondents indicated that their firms undertake system innovations to enhance the operating processes thus allowing for efficiency. These findings confirm the arguments of Salim and Sulaiman (2011) who concluded that innovation is multi-dimension including ingenuity, adventuresome, openness to change, forward looking, and reengineering for efficiency. The respondents agreed that their firms used innovation strategies as implied by the aggregate mean (M= 4.53; SD=0.62). The findings suggest that the innovation process for the firms studied includes product, services and process innovation which are similar to those employed by ICT firms in Malaysia as shown in the study by Salim and Sulaiman (2011).

4.5.3 Agility

The agility strategies used by the insurance firms surveyed in this study are given in Table 4.6.

Table 0.6: Agility Strategies

Dimensions of Agility	N	Mean	Std. Deviation
The firm can use its dynamic capability to detect external threats	116	4.10	1.190
The firm has competitive responsiveness (the firm has can specify, react to, and get better due to changes by competitors)	116	4.34	.845
The firm can redeploy its resources quickly to react to threats and to seize opportunities	116	4.28	.919
The firm has strategic foresight which entails keeping up with technological advancements, cost-reduction techniques, and efficiency	116	4.04	.898
The firm continuously adjusts and adapts its goals and core business to create value and remain competitive	116	4.31	.465

The firm can launch new strategic initiatives rapidly and repeatedly in response to the dynamic business environment.	116	3.66	1.046
Aggregate		4.12	0.89

Source: Study Data (2023)

The participants were in agreement with the statement that their firms can use their dynamic capability to detect external threats (M= 4.10; SD= 1.190); their firms have competitive responsiveness (the firm can specify, react to, and get better due to changes by competitors) (M= 4.34; SD= 0.845), and; The firm can redeploy its resources quickly to to react to threats and to seize opportunities (M=4.28; SD=0.919). These responses indicate that the surveyed companies are ready to respond to changing circumstances and are ready to change as much as possible. Kuleelung and Ussahawanitchakit (2015) suggests that firms must put in place measures to prepare their organisations for every changing business environment. Agility means that the business has to be flexible in process, management and materials.

The responses recorded Table 4.6 suggest that there was agreement that the firms have strategic foresight which entails keeping up with technological advancements, cost-reduction techniques, and efficiency (M= 4.04; SD= 0.898). These findings suggest that insurance firms in Kenya use technology, budgeting, and management mechanisms to deal with the changing environment. According to Wangasa (2018), an agile organisation can use its internal resources effectively and efficiently in reaction to shifting circumstances. The aggregate (M= 4.12; SD= 0.89) suggests that the firms are using the four key elements of agility which include speed, flexibility, responsiveness and competency as defined by Denning (2017).

4.5.4 Development Capabilities

The development capabilities of the insurance firms surveyed were analysed in this section.

Table 0.7: Development Capabilities

Dimensions of Development	N	Mean	Std. Deviation
The firm has research capabilities that are used for the innovation of products and services	116	4.48	.860
The developmental capabilities include the renewal of strategies	116	4.55	.651
The firm has extensive training programs meant to enhance employees' skills	116	3.97	.894
The firm is always increasing the skills and skills set of the employees with the aim of increasing the areas of expertise	116	4.69	.465
The firm has knowledge that it has acquired over the years that it uses to coordinate activities and fully utilize the assets	116	4.36	.638
The firm invests in new technologies and equipment	116	4.64	.581
Aggregate		4.45	0.68

Source: Study Data (2023)

The respondents agreed that their firms have research capabilities that are used for the innovation of products and services (M= 4.48; SD= 0.860); their firms have extensive training programs meant to enhance employees' skills (M= 3.97; SD=0.894), and; their firms are always increasing the skills and skills set of the employees with the aim of increasing the areas of expertise (MD= 4.69; SD= 0.465). These findings suggest that the firms have invested a lot towards organisational learning. These findings are similar to those of Salah and Alabaddi (2019) who found that firms in the Jordanian Stock Exchange had invested significantly in organisational development through research and learning. The researchers concluded that

research and learning fuel changes in the world of business because it equips the firm with the knowledge needed to survive and and grow.

The respondents agreed that their firms have development capabilities that include renewal strategies (M=4.55; SD=0.651). In the field of strategic management, an important area of study is changing management. Strategic renewal is part of change management and is characterised by firms moving ahead with new technologies, products and new markets (Teece, 2019). The statistics (M= 4.45; SD= 0.68) imply that most of the participants agreed that their company used development capabilities strategies. Development capabilities are key to the process of improving the workings of the organization through better knowledge and understanding (Pham & Hoang, 2020). The fact that the firms are investing in research and development indicates that they are building and enhancing their capabilities, this will help the firms to adapt and improve efficiency.

4.6 Performance

The researcher sought to understand the performance of the firms over the last five years. Performance was indicated using market share, number of customers and level of penetration. The outcomes of the inquiry summarized in Table 4.8.

Table 0.8: Performance

Performance	N	Avg.	Stand. Deviation
The firm's market share	116	2.94	.907
The number of customers	116	2.52	1.219
The level of penetration	116	1.61	1.086

Source: Study Data (2023)

The responses suggest that most of the participants responded that their firm’s market share had not increased or decreased during the last five years (M=2.94; 0.907). These findings are confirmed by the report of the Insurance Regulatory Authority (2022) which shows that over the last few years, the respective insurance firms had maintained the same market share. The respondents disagreed with the assertion on the increase in the number of clients over the last five years (M= 2.52) However, the standard deviation (1.219) suggests that there was significant dispersal in the answer. Implying that in some firms the numbers had increased while in other they had decreased. According to the IRA report of 2022 the insurance density had increased from 4,455 in 2017 to 5,475 in 2021. The findings suggest that the respondents strongly disagreed that the insurance penetration levels had increased over the last five years (M= 1.61; SD 1.086). According to IRA (2022) the insurance penetration levels in Kenya decreased from 2.55 in 2017 to 2.24 in 2021.

Table 0.9: Overall Performance

Performance	N	Mean	Std. Deviation
Overall firm performance over the last five years	116	2.43	.688

Source: Study Data (2023)

Table 4.9 shows the overall performance of the companies surveyed. The findings indicate that the respondents felt that the overall performance of their firm over the last five years, had not increased (M= 2.43; SD= 0.688). According to the CBK (2022), high levels of inflation arising from pandemic induced supply-demand mismatches, liquidity and debt concerns, and direct

and indirect exposure to the Ukraine war have affected the performance of the insurance sector in Kenya. The insurance firms were able to increase their Gross Income from Ksh 209 billion in 2017 to Ksh 273 billion in 2021. The operating profits decreased from Ksh. 13 billion in 2017 to Ksh 8 billion in 2021 (IRA, 2022).

4.7 Inferential Analysis

Table 4.10 shows the summary of the model that was used to statistically determine how the company outcomes were affected by operational excellence strategy.

Table 0.10: Summary of the Regression Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.647 ^a	.419	.398	.534

a. Predictors: (Constant), Customer Centric, Innovation, Agility, Development Capabilities

Source: Study Data (2023)

The computed R square is 0.419 which indicates that 41.9% of the variation in the performance of the firm was attributed to the elements of operational excellence strategies that were used by the firm. The remaining 58.1 per cent of the variation was due to factors not included in the model. Table 4.11 shows the analysis of variance (ANOVA) of the regression model used.

Table 0.11: Analysis of Variance (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	22.813	4	5.703	20.012	.000 ^b
Residual	31.635	111	.285		
Total	54.448	115			

a. Dependent Variable: Overall firm performance over the last five years

b. Predictors: (Constant), Customer Centric, Innovation, Agility, Development of Capabilities

Source: Study Data (2023)

The computed $F(4,111) = 5.703$, $P = 0.000$ indicated the effect of operational excellence strategy. Table 4.12 shows the results of the regression estimation.

Table 0.12: Results

Model	B	Std. Error	β	t	Sig.
1 (Const.)	1.437	.278		5.175	.000
Customer Centric	.193	.041	.379	4.749	.000
Innovation	.162	.058	.221	2.767	.007
Agility	.232	.045	.389	5.173	.000
Development	.295	.078	.305	3.760	.000

a. Dependent Variable: Overall firm performance over the last five years

Source: Study Data (2023)

The results indicate that customer-centric strategies had a positive and statistically significant effect on the performance of insurance firms in Kenya. The findings indicate that a unit increase in the use of customer-centric strategies results in a 0.193 increase in the performance of the insurance companies. These findings indicate that focus on the customer-centric strategy increases customer satisfaction which translates to increased performance as indicated by the study by Bii and Wanyoike (2014). The findings confirm the findings of Bonacchi and Perego (2011) who found that increased use of customer centric methods increases the level of firm performance.

The beta of 0.162 and p-value of 0.007 imply that innovation strategy has a positive and statistically significant effect on performance. These findings confirm the findings of Salim and Sulaiman (2011) and Mukami (2015). According to Hu et al. (2020), innovation brings about changes in the process and increases product development. This results in the increased ability of the firm to expand and survive in the business environment.

The results in Table 4.12 show that agility has a positive and statistically significant effect on firm performance. The findings suggest that a unit increase in the use of agile strategies such as the ability to detect threats, competitive responsiveness, ability to redeploy resources, strategic foresight, continuous adaptation and change, and launch of new initiatives results in a 0.232 increase in the level of performance. These findings reinforce the recommendations of Wangasa (2020) who suggested that firms should sustain focus on their firms' agility because it ensures good performance.

The findings suggest that a unit increase in development capabilities results in a 0.295 increase in the level of performance. These findings confirm the findings of Salah and Alabaddi (2019). These findings suggest that the firms' research capabilities, renewal strategies, extensive training programmes, increasing employee's competence and skills and firm knowledge are important to the performance of the firm.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This part of the study provides a summary of the findings of the analysis of the responses given by the study participants. In addition, conclusions and recommendations are presented.

5.2 Summary of Findings

The first objective of the study was to determine how customer-centric strategies affected the performance of insurance companies in Kenya. The study established that the firms extensively used customer-centric strategies including the well-being of the customer as the centre of the company, determining and meeting customers' unmet needs, encouraging customer feedback, measuring customer satisfaction, and constantly seeking new approaches to create value for their clients through their product and service mixes. The beta coefficient of customer-centric strategies was 0.193 with p-values of 0.000. Indicating the customer-centric strategies increased the firm's performance.

The second objective of the study was to evaluate the manner in which innovation affects firm performance. The study established that insurance companies in Kenya use various types of innovation strategies which include the development of new products, use of mobile and internet platforms, constantly innovating new products and services to build new markets, looking for new market openings, developing new processes, and system innovations. The study established that a unit increase in innovative strategies resulted in a 0.162 unit increase in the level of financial performance.

The third objective of the study was to establish the effect of agility strategies on the performance of insurance firms in Kenya. The study established that insurance firms in Kenya use a variety of agility strategies that include the detection of external threats, competitive

responsiveness, redeployment of resources quickly, strategic foresight, continuously adjusting and adapting goals and core business, adjusting and adapting goals to create and maintain value, and new strategic initiatives to react to developments in their operating environment. The beta and p-values for agility were 0.232 (0.007) implying that agility increases the financial performance of insurance companies in Kenya.

The fourth objective of the study was to determine the manner in which development capabilities affected firm performance. The study established that the firms used various dimensions of development capabilities strategies including enhanced research capabilities, development of capabilities for renewal strategies, extensive training programmes meant to enhance employees' skills, increasing expertise, increasing firm knowledge, and investment in new technologies. The study established that the effect of development capabilities on firm performance was positive and statistically significant (beta = 0.295, p-value 0.000).

5.3 Conclusions

Customer-centric strategies affect firm performance because customer focus improves the offerings given to the customers which results in improved outcomes. The firm is can use the feedback they receive from their customers to enhance performance. Additionally, reviewing the satisfaction of the clients frequently means that the firm is able to react to changing customer demands. The study concluded that innovations such as enhancing products, increasing product offerings, use of mobile and internet technologies, and improvement of systems allow the firm to improve financial outcomes. It is concluded that agility strategies have significant effects on the performance of insurance firms in Kenya. This means that the dynamic capabilities to detect external threats, competitive responsiveness, and redeployment of resources quickly, strategic foresight and the launch of new strategies are important for the performance of the firm. The study concludes that development capabilities have a positive

effect on the performance of insurance firms in Kenya. The study concludes that the development of renewal strategies, extensive training programmes, increasing skills and skills set, firm knowledge and investment in new technologies is important for insurance firms in Kenya.

5.4 Recommendations

The study recommends that the managers of insurance firms in Kenya should put the customer well-being at the centre of their operations. The managers should ensure that the distinct customer requirements are aligned with the business models, develop modules to address the unmet needs of customers, continually seek feedback from the customers, and analyse customer satisfaction on a regular basis. The study recommends that the managers of insurance companies enhance their use of innovative strategies. Insurance companies should continue to develop new products to meet the different needs of the consumer, increase their offering of mobile and online products, study the market so that they can increase their market share, improve their business processes, and increase efficiency. The study recommends greater use of agility strategies. Specifically, continued survey of the market to identify threats, enhance the ability to identify and react to competitors, strategic foresight, and keeping up with technological advancements and cost reductions. The study also recommends that the insurance companies should continue to build on their development capabilities which include renewal strategies, increased training, increased knowledge management and use of new technologies.

5.5 Recommendation for Future Studies

The study found that there was low market penetration of insurance in Kenya. Future studies need to be done to understand why Kenyans do not buy insurance products. The study only used four variables to indicate operational Excellency strategy. Future studies should include

other variables. Additionally, this study only focused on Insurance firms in Kenya, future studies should include other sectors of the economy.

REFERENCES

- Ahmed, M., Kristal, M., & Pagell, M. (2014). Impact of operational and marketing capabilities on firm performance: Evidence from economic growth and downturns. *International Journal of Production Economics*, 154, 59-71.
- AIB Capital Ltd. (2018). *Insurance industry report 2018*. Retrieved from: <http://aic-capital.com/>
- Al-Abdallah, G. M., Abdallah, A. B., & Bany, K. (2014). The Impact of Supplier Relationship Management on Competitive Performance of Manufacturing Firms. *International Journal of Business and Management*, 9(2), 192-202.
- Al-Zu'bi, F., Tarawneh, E., Abdallah, B., & Fidawi, M. (2015). Investigating Supply Chain Integration: Effects on environmental performance in the Jordanian food industry. *American Journal of Operations Research*, 5(4), 247-257.
- American Society for Quality. (2019). What is organisational excellence? Retrieved from: <https://asq.org/quality-resources/organizational-excellence>.
- Bakhsh-Magsi, H., Ong, T., Ho, J., & Sheikh-Hassan, A. (2018). Organizational culture and environmental performance. *Sustainability*, 10(8), 2690. doi:10.3390/su10082690.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Barney, J.B. (2001). Is the resource-based "view" a useful perspective for strategic management research? *Academy of Management Review*, 26 (1), 41–56.
- Bhutta, K., & Huq, F. (1999). Benchmarking best practices: An integrated approach. *Benchmarking: An International Journal*, 6(3), 254-268.
- Bii, M., & Wanyoike, M. (2014). The influence of customer centric strategic approach for competitive advantage on customer satisfaction in CFC Stanbic Bank Kenya Limited. *International Journal of Economics, Commerce, and Management*, II(11), 1-21.
- Bolboli, S., & Reiche, M. (2013). The model for Sustainable business excellence: implementation and the roadmap. *The Total Quality Management Journal*, 25(4), 1754-2731
- Bolarinwa, O.A. (2015). Principles and methods of validity and reliability testing of questionnaires used in social and health science researches. *Niger Postgraduate Medical Journal*, 22 (4), 195-20.
- Bonacchi, M., & Perego, P. (2011). Improving profitability with customer-centric strategies: The case of a mobile content provider. *Strategic Change*, 20(2011), 253-267.

- BTOES. (2020). Operational excellence in insurance. Retrieved from: <https://insights.btoes.com/resources/operational-excellence-insurance-industry-definition-challenges>
- Burdick, T. (2020). Improving the reliability of care and the healthcare culture. *BTOES*. Retrieved from: <https://insights.btoes.com/research-report-2018/19-improving-the-reliability-of-care-and-the-healthcare-culture-0-0-0>.
- Camp, R. (2006). *Benchmarking: The search for industry best practices that lead to superior performance (1st Ed.)*. New York: Productivity Press.
- Caramela, S. (2018). Management theory of Frederick Taylor. *Business.com*. Retrieved from: www.business.com/articles/management-theory-of-frederick-taylor/
- Cheyenne, O. (2018). What is sampling in research? Definition, methods, and importance. Retrieved from <https://study.com/academy/lesson/what-is-sampling-in-research-definition-methods-importance.html>
- Coforge. (2020). Impact of COVID-19 on insurance: Industry continuing service excellence. Retrieved from: www.niit-tech.com/resource-library/point-view/impact-covid-19-insurance-industry-continuing-service-excellence
- Cronbach, L. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika*, 16, 297-334.
- Day, G. S. (2006). Aligning the organization with the market. *MIT Sloan Management Review*, 48(1):41–49.
- Deloitte. (2015). Driving operational excellence in claims management.
- Dotun A. (2001). TQM and business excellence: Is there reality a conflict. *Measuring Business Excellence*, 5(3), 37-40.
- Edegroote, S., & Marx, T. (2014). The mediating effect of agility: its impact on firm performance among US manufacturing firms. *Industrial Engineering Management*, 3 (123), doi:10.4172/2169-0316.1000123
- Ekmekci, O. (2012). Reconfigured to be the best: Leading organizations to excellence through quality improvement. *S.A.M. Advanced Management Journal*, 77(4), 4–12.
- Felipe, C. M., Roldán, J. L., & Leal-Rodríguez, A. L. (2017). Impact of organizational culture values on organizational agility. *Journal of Sustainability*, 9, 1-23.
- Fifer, R. (1989). Cost benchmarking functions in the value chain. *Planning Review*, 17(3), 18-19.

- Fincham, J. (2008). Response rate and responsiveness of surveys, standards, and the journal. *American Journal of Pharmacy Education*, 72(2), 43.
- George, D., & Mallery, P. (2013). IBM SPSS statistics 21 step by step: Instructors manual. Retrieved from: www.researchgate.net/publication/265468832_IBM_SPSS_Statistics_19_Step_by_Step_a_Simple_Guide_and_Reference
- Gitau, B. (2013). *Strategies adopted by Kenyan insurance companies to alleviate low insurance Penetration* (unpublished masters' thesis). University of Nairobi, Kenya.
- Healy, P., & Devane, D. (2011). Methodological considerations in cohort study designs. *Nurse Researcher* 18 (2011), 32-36.
- Hooley, G., Broderick, A., & Moller, K. (1998). Competitive positioning and the resource-based view of the firm. *Journal of Strategic Marketing*, 6, 97–115.
- Hunt, S.D. & Morgan, R.M. (1995). The comparative advantage of the firm. *Journal of Marketing*, 59, 1-15.
- Hu, X., Danso, B., Mensah, I., & Addai, M. (2020). Does innovation type influence firm performance? A dilemma of star-related hotels in Ghana. *Sustainability*, 12, doi:10.3390/su12239912
- Insurance Regulatory Authority. (2018). Annual report. Retrieved from: <https://www.ira.go.ke/index.php/publications/statistical-reports/annual-reports>
- Insurance Regulatory Authority. (2017). Annual report. Retrieved from: <https://www.ira.go.ke/index.php/publications/statistical-reports/annual-reports>
- Insurance Regulatory Authority. (2016). Annual report. Retrieved from: <https://www.ira.go.ke/index.php/publications/statistical-reports/annual-reports>
- Insurance Regulatory Authority. (2015). Annual report. Retrieved from: <https://www.ira.go.ke/index.php/publications/statistical-reports/annual-reports>
- Insurance Regulatory Authority. (2014). Annual report. Retrieved from: <https://www.ira.go.ke/index.php/publications/statistical-reports/annual-reports>
- Insurance Regulatory Authority. (2013). Annual report. Retrieved from: <https://www.ira.go.ke/index.php/publications/statistical-reports/annual-reports>
- Insurance Regulatory Authority. (2020). Licensed insurance companies Kenya (2020). Retrieved from: <https://www.ira.go.ke/index.php/regulatory-framework/regulatted-entities>

- Insurance Regulatory Authority. (2021). Annual report. Retrieved from: <https://www.ira.go.ke/index.php/publications/statistical-reports/annual-reports>
- Insurance Regulatory Authority. (2022). Annual report. Retrieved from: <https://www.ira.go.ke/index.php/publications/statistical-reports/annual-reports>
- Jacobs, B. (2007). Operational excellence: Setting the target for performance. *Medical Product Out Sourcing*. Retrieved from: www.mpo-mag.com/issues/2007-09/view_columns/operational-excellencesetting-the-target-for-performance
- Jaeger, A., Matyas, K., & Sihm, W. (2014). Development of an assessment framework for operations excellence (OsE), based on the paradigm change in operational excellence (OE). *Procedia CIRP Conference on Manufacturing Systems Development*, 17, 487–492.
- Kamau, P. M., & Wanyoike, R. W. (2018). Corporate culture and organizational performance: A case of mayfair casino, Nairobi city county, Kenya. *Global J Comm Manage Perspect*, 8(1), 8-17.
- Kantabutra, S. & Avery, G C. (2010). Vision effects in customer and staff satisfaction: an empirical investigation. *Leadership & Organisation Development Journal*, 28 (3), 209-29.
- Karlof, B., & Ostblom, S. (1993). *Benchmarking: A signpost to excellence in quality and productivity*. New York: Wiley.
- Kipkurui, K., (2011). *The relationship between corporate governance and financial performance of insurance companies in Kenya (unpublished master's thesis)*. University of Nairobi, Kenya.
- Kothari, C., & Garg, G. (2014). *Research methodology (3rd ed)*. New Delhi: New Age International Publishers.
- Koushik, S. (2013). The road to business agility. Retrieved from: <https://www.slideshare.net/rightbrainsystems/rbs-the-road-to-business-agility>
- Kozak, M., & Nield, K. (2001). An overview of benchmarking literature: Its strengths and weaknesses. *Journal of Quality Assurance in Hospitality and Tourism*, 2(3/4), 7-32.
- Kuleelung, T., & Ussahawanitchakit, M. (2015). Organisational agility and firm performance: Evidence from information and communication technology (ICT) businesses in Thailand. *The Business and Management Review*, 7(1), 206-217.
- Kumar, V., Venkatesan, R., & Reinartz, W. (2008) Performance implications of adopting a customer-focused sales campaign. *Journal of Marketing*, 72(5), 50-68.

- Lee J-Y, Kozlenkova IV, & Palmatier RW (2014) Structural marketing: Using organizational structure to achieve marketing objectives. *Journal of Academic Marketing Science* doi.org/10.1007/s11747-014-0402-9.
- Lee, J., Sridhar, S., Henderson, C., & Palmatier R. (2015). Effect of customer-centric structure on long-term financial performance. *Marketing Science*, 34(2), 1-19.
- Liu, H., Ke, W., Kee Wei, K., & Hua, Z. (2013). Effects of supply chain integration and market orientation on firm performance: Evidence from China. *International Journal of Operations & Production Management*, 33(3), 322-346.
- Lin, K., & Huang, K. (2012). Dynamic capability and its effects on firm performance. *American Journal of Applied Sciences*, 9(1), 107-110.
- Mai, A., Vu, H., Bui, B., & Tran, T. (2019). The lasting effects of innovation on firm profitability: A panel evidence from a transitional economy. *Economic Research*, 32(1), 3417-3436.
- Makimi, H. (2015). *The effect of organisational innovation and information technology on firm performance: A case study of Safaricom Limited (unpublished Master's thesis)*. United States International University, Kenya.
- Masrom, N., Rasi, R., & Daut, B. (2017). The impact of business excellence on operational performance among halal certified food manufacturers in Malaysia.
- McCune, A. (2020). What is agile in operational excellence? *BTOES*. Retrieved from: <https://insights.btoes.com/resources/operational-excellence-agility-and-agile>
- Mcombes, S. (2019). Descriptive research. *Scribbr*. Retrieved from: <https://www.scribbr.com/methodology/descriptive-research/>
- McGaughey, E. (2014). 'Behavioral economics and labor law. *LSE Legal Studies Working Paper No. 20/2014*
- Mitcham, C. (2005). Management. *Encyclopedia of science, technology, and ethics*, 3, Macmillan Reference USA.
- Moore, C. (2016). Use change management to build an operational excellence culture. *Digital Clarity Group*. Retrieved from: www.digitalclaritygroup.com/use-change-management-build-operational-excellence-culture/
- Moriarty, J., & Smallman, C. (2009). En-route to a theory of benchmarking. *Benchmarking an International Journal*, 16(3).
- Muchira, N. (2018, Sep 6). Kenya's insurance sector looks to a brighter future after facing tough environment. *The East African*. Retrieved from:

www.theeastafrican.co.ke/business/Kenya-insurance-sector-looks-to-a-brighter-future-/2560-4745222-ciyq12/index.html

- Muiruri, A. N., Kahuthia, J. & Muraguri, C. (2019). Effects of employee development on organizational performance: A case study of Rift Valley Machinery Services Limited. *International Academic Journal of Human Resource and Business Administration*, 3(6), 254-270.
- Nakamura, L. (2000). Economics and the new economy: The invisible hand meets creative destruction. *Business Review*, 15-30.
- Nwokah, G., & Maclayton, D. (2006). Customer-focus and business performance: The study of food and beverages organizations in Nigeria. *Measuring Business Excellence*, 10(4), 65-78.
- Nurjaman, R., Rahayu, A., Wibowo, L., & Widjajani, A. (2020). The role of strategic agility towards the firm performance of logistics service providers in Indonesia. *Management Science Letters*, 11(2021), 965-974.
- Nyangau, P. (2015). *The influence of operational excellence strategy on the performance of Syngenta East Africa Limited* (unpublished master's thesis). University of Nairobi, Kenya.
- Ofoegbu, O. E., & Akanbi, P. A. (2012). The influence of strategic agility on the perceived performance of manufacturing firms in Nigeria. *The International Business & Economics Research Journal (Online)*, 11(2), 153-169.
- Oira, T. (2017). *The influence of corporate strategy on performance of insurance companies in Kenya* (unpublished master's thesis). University of Nairobi, Kenya.
- Okoth, C. (2021). *Strategic positioning and performance of insurance firms in Kenya* (unpublished masters' thesis). University of Nairobi, Kenya.
- Otando R., (2007). *An evaluation of the use of the marketing mix variables as means of enhancing service quality and customer satisfaction* (unpublished master's thesis). Kenyatta University, Kenya.
- Oyerinde, A. J., Olatunji, O. C., & Adewale, O. A. Corporate social responsibility and performance of oil and gas industry in Nigeria. *EKSU Journal of the Management Scientists*, 2(1), 97-106.
- Pham, L., & Hoang, H. (2019). The relationship between organizational learning capability and business performance. *Journal of Economics and Development*, 21(2), 259-269.
- Phan, A. C., Abdallah, A. B., & Matsui, Y. (2011). Quality management practices and competitive performance: Empirical evidence from Japanese manufacturing companies. *International Journal of Production Economics*, 133(2), 518-529.

- Pol, E., & Carrol, P. (2006). *An introduction to economics with emphasis on innovation*. Thomson Custom Publishing for University of Wollongong.
- PricewaterhouseCoopers (2018). Review of the Nigeria oil and gas industry.
- Priem, R.L., & Butler, J.E. (2001). Is the resource-based theory a useful perspective for strategic management research? *Academy of Management Review*, 26(1), 22–40.
- Reijs, B. (2020). Operational excellence- time to eat our own dog food. *BTOES*. Retrieved from: <https://insights.btoes.com/research-report-2018/19-operational-excellence-time-to-eat-our-own-dog-food-0-1>
- Resnik, D. (2015). What is ethics in research & why is it important? *National Institute of Environmental Health Science*. Retrieved from: www.niehs.nih.gov/research/resources/bioethics/whatis/index.cfm
- Rono, J., & Gachunga, H. (2016). Challenges influencing operational excellence in state corporations: A case of Postal Corporation of Kenya. *The Strategic Journal of Business & Change Management*, 3(18), 289-306.
- Salah, A., & Alabaddi, Z. (2019). The impact of organizational development on maximizing business intelligence in Jordanian joint stock companies. *European Journal of Business and Management*, 11(14), 98-109.
- Salim, I., & Sulaiman, M. (2011). Impact of organisational innovation on firm performance: Evidence from Malaysian-Based ICT companies. *Business and Management Review*, 1(5), 1-11.
- Satyendra, S. (2014). Organisational excellence. *ISPAT*. Retrieved from: <https://www.ispatguru.com/organizational-excellence/>
- Schumpeter, J. (1934). *The theory of economic development: An inquiry into profits, capital, credit, interest, and business cycle*. New Brunswick, New Jersey: Transaction Books.
- Sheahadeh, R., Maqableh, M., Al-Zoubi, M., & Akorshaideh, A. (2016). Review the operational excellence factors of service firms: A literature review.
- Sony, M. (2018). Implementing sustainable operational excellence in organizations: an integrative view point. *Production & Manufacturing Research*, 7, 67-87.
- Stein, I. (2018). Using lean strategies to achieve team synergy and efficiency. *Business.com*. Retrieved from: <https://www.business.com/articles/lean-strategies-team-efficiency/>
- Teece, J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*. 18 (7),509–533.

- Teece, D. J. (2007). Explicating dynamic capabilities: The nature and micro-foundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319-1350.
- Tuan, N., Nhan, N., Giang, P., & Ngoc, N. (2016). The effects of innovation on firm performance of supporting industries in Hanoi, Vietnam. *Journal of Industrial Engineering and Management*, 9(2), 413-420.
- University of Missouri. (n.d.). Populations and sampling. Retrieved from: <https://www.umsl.edu/~lindquists/sample.html>
- Uğurlu, Ö., & Çolakoğlu, E. (2018). Strategic agility and firm performance relationship. A research in manufacturing firms. *International Applied Social Sciences Congress*.
- Urban, B., & Naidoo, R. (2012). Business sustainability: empirical evidence on operational skills in SMEs in South Africa. *Journal of Small Business and Enterprise Development*, 19(1), 146–163.
- Waititu, G. (2014). *An assessment of customer centric strategy on the performance of commercial banks in Kenya* (unpublished masters' thesis). United States International University, Nairobi, Kenya.
- Wangasa, C. (2018). *Effect of strategic agility on the performance of commercial banks in Kenya* (unpublished masters' thesis). University of Nairobi, Kenya.
- Watson, G. (1993). *Strategic Benchmarking: How to rate your company's performance against the world's best*. New York,: Wiley.
- Wong, K., Ong, S., & Kuek, T. (2012). Constructing a survey questionnaire to collect data on service quality of business academics. *European Journal of Social Sciences*, 29, 209-221.
- Yaacob, Z. (2014). The direct and indirect effects of customer focus on performance in public firms. *International Journal for Quality Research* 8(2), 265-276.
- Yew, O. F., & Ahmad, H. (2014). The Effect of Change Management on Operational Excellence moderated by Commitment to Change: Evidence from Malaysia. *International Journal of Innovation and Applied Studies*, 9(2), 615–631.
- Zairi, M., & Baidoun, S. (2003). Understanding the essentials of total quality management: A best practice approach-Part1. *Working Paper Series: 03/05*. Bradford: Bradford University.
- Ziemiowicz, C. (2020). Joseph A Schumpeter and innovation. Retrieved from: https://link.springer.com/referenceworkentry/10.1007%2F978-1-4614-3858-8_476

APPENDICES

Appendix 1: Research Questionnaire

Dear Respondents,

This questionnaire seeks to collect data on the operational excellence strategy used by your firm and the effect of this strategy on firm performance. The data collected will be used to for a research study which is the requirement for the award of a degree of master of business administration of Kenyatta University. The information collected will be used for the purposes of the study only. The data collected will not be shared with other parties. The responses collected will be kept confidential. To ensure your anonymity, kindly do not indicate your name on the questionnaire.

OPERATIONAL EXCELLENCE AND FIRM PERFORMANCE

- Kindly indicate your level of agreement on the use of customer-centric strategy by your firm.

5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, and 1= Strongly-Disagree

Customer Centric	5	4	3	2	1
The customers' wellbeing is at the center of everything the company does					
Business units are aligned to distinct customer groups					
The firm determines the customers' unmet needs and then quickly address them					
The firm encourages customer feedback both in terms of comments and complaints because they help us do a better job					
Customer satisfaction is measured on a regular basis					
The firm is always looking at ways to create customer value through the mix of products and services					

2. Kindly indicate your level of agreement on the use of innovation strategy by your firm.
 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, and 1= Strongly-Disagree

Innovation	5	4	3	2	1
The firm is continually creating new products					
The firm offers existing products and services through mobile and internet platforms					
The firm constantly innovates new products and services to build new markets					
The firm is always looking for new market openings					
The firm is always developing new ways of doing business i.e. new processes					
The firm undertakes system innovations in order to enhance the operating processes thus allowing for efficiency.					

3. Kindly indicate your level of agreement on the agility of your firm.
 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, and 1= Strongly-Disagree

Agility	5	4	3	2	1
The firm is able to use its dynamic capability to detect external threats					
The firm has competitive responsiveness (the firm has the capability to specify, react to, and get better due to changes by competitors)					
The firm is able to redeploy its resources quickly in order to respond to threats and to take advantage of opportunities					
The firm has strategic foresight which entails keeping up with technological advancements, cost-reduction techniques, and efficiency					
The firm continuously adjusts and adapts its goals and core business in order to create value and to remain competitive					
The firm has the capacity to launch new strategic initiative rapidly and repeatedly in response to the dynamic business environment.					

4. Kindly indicate your level of agreement on the development capabilities of your firm.
 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, and 1= Strongly-Disagree

Development Capabilities	5	4	3	2	1
The firm has research capabilities that are used for the innovation of products and services					
The developmental capabilities include the renewal of strategies					
The firm has extensive training programmes meant to enhance employees skills					
The firm is always increasing the skills and skills set of the employees with the aim of increasing the areas of expertise					
The firm has knowledge that it has acquired over the years that it uses to co-ordinate activities and fully utilize the assets					
The firm invests in new technologies and equipment					

5. Kindly indicate your level of agreement on performance of your firm over the past five years. The firms market share/customer numbers/ penetration level has improved over the last five years

5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, and 1= Strongly-Disagree

Operational Excellence	3	2	1
The firm's market share			
The number of customers			
The penetration levels			

6. How would you rank the performance of the firm over the last five years.
 5= Very Great, 4= Great, 3= Moderate, 2= Low, 1= Very Low
7. To what extent do the various dimensions of operational excellence affect organisational performance
 5= Very Great, 4= Great, 3= Moderate, 2= Low, 1= Very Low

Operational Excellence	5	4	3	2	1
Customer-Centric Strategy					
Innovation					
Agility					
Development of Capabilities					

THANK YOU

Appendix 2: Performance Indicators for Insurance Firms in Kenya

Item	Years						
	2013	2014	2015	2016	2017	2018	2019
Gross Premium Income	135,384,923	157,732,058	174,039,164	196,635,836	209,001,296	216,261,729	250,863,606
Net Premium Written	105,013,409	126,333,481	139,377,049	158,362,431	165,852,034	172,322,202	170,426,658
Claims Incurred (general business)	34,170,145	42,677,696	48,811,202	54,857,495	56,151,966	2,076,675	2,107,825
Net commissions	7,204,448	14,332,657	10,833,473	12,578,735	12,495,182	11,487,628	12,854,656
Assets	366,252,339	430,536,097	478,752,455	528,748,193	590,953,330	635,035,110	732,195,482
Shareholder's Funds	100,958,028	114,141,212	125,830,028	134,455,222	147,255,002	149,134,602	168,671,235

Source: Insurance Regulatory Authority (2020)

Appendix 3: Indicators of Insurance Penetration in Kenya

Indicators	Years						
	2013	2014	2015	2016	2017	2018	2019
Insurance Penetration ratio (%) (at current prices)	2.72	2.88	2.75	2.78	2.55	2.43	2.19
Population (Million)	41.8	43.0	44.2	45.4	46.6	47.8	47.8
Insurance Density (KES)	3090.7	3,623	3,904	4,300	4,455	4,525	4570.25
Lives Covered	2.06	2.47	4.39	3.82	4.26	4.30	4.45
Policies	2.77	3.82	2.70	3.39	3.14	3.43	3.59
Insurance cover (Lives/population) %	5	5.7	9.9	8.4	9.1	9.0	9.00
Insurance Cover (policies/population)	7	8.9	6.1	7.5	6.7	7.1	7.20
Rate of Inflation (%)	5.7	6.9	6.6	6.3	8.0	4.7	5.80
Real Gross Direct Premium growth (%)	9.2	12.8	3.9	6.4	-1.5	-0.5	-0.30

Source: Insurance Regulatory Authority (2020)

Appendix 4: Performance of Selected Insurance Firms in Kenya

Company	Market Share (%)				
	2017	2016	2015	2014	2013
APA LIFE ASSURANCE COMPANY	1.80	1.66	1.67	1.81	1.65
BARCLAYS LIFE	1.67	1.70	0.83	-	-
BRITISH AMERICAN INSURANCE	22.10	23.37	19.59	17.87	18.07
CANNON ASSURANCE COMPANY	0.10	0.16	0.22	0.5	0.24
CAPEX LIFE ASSURANCE COMPANY	0.38	0.08	0.05	0.04	0.03
CIC LIFE ASSURANCE COMPANY	5.91	5.92	6.85	7.25	16.08
CORPORATE INSURANCE COMPANY	0.34	0.40	0.43	0.42	0.46
FIRST ASSURANCE COMPANY	0.20	0.14	0.13	0.23	0.16
GA LIFE ASSURANCE COMPANY	1.95	2.07	1.16	1.32	1.64
GEMINIA INSURANCE COMPANY	0.22	0.39	0.15	0.14	0.13
ICEA LION LIFE ASSURANCE	15.72	12.93	13.28	11.56	14.53
JUBILEE INSURANCE COMPANY	15.27	14.09	14.47	19.54	15.34
KENINDIA ASSURANCE COMPANY	5.60	5.37	5.29	4.48	4.77
KENYA ORIENT LIFE ASSURANCE	0.51	0.39	0.83	0.36	-
LIBERTY LIFE ASSURANCE COMPANY	5.44	5.88	7.54	7.77	-
MADISON INSURANCE COMPANY	3.14	3.24	3.88	2.57	2.78
MERCANTILE INSURANCE COMPANY	-	-	-	-	0.35
METROPOLITAN CANNON INSURANCE	0.74	0.54	0.63	0.7	0.46
OLD MUTUAL LIFE ASSURANCE	2.32	2.77	3.23	2.91	3.25
PAN AFRICA INSURANCE COMPANY	-	-	7.9	9.84	12.54
PIONEER ASSURANCE COMPANY	6.30	7.20	6.74	4.77	2.29
PRUDENTIAL LIFE ASSURANCE	0.38	0.22	0.22	0.27	-
SAHAM ASSURANCE	0.27	0.34	0.48	0.3	-
SANLAM LIFE INSURANCE	5.72	6.35	-	-	-
SHIELD ASSURANCE COMPANY	-	-	-	-	0.26
TAKAFUL INSURANCE OF AFRICA	0.07	0.07	-	-	-
THE KENYAN ALLIANCE INSURANCE	0.94	1.11	0.91	0.68	0.69
THE MONARCH INSURANCE	0.06	0.06	0.04	0.08	0.09
UAP LIFE ASSURANCE COMPANY	2.86	3.55	3.48	4.59	4.19
TOTAL	100.00	100.00	100.00	100.00	100.00

Source: IRA (2020)

Appendix 5: Licensed Insurance Companies in Kenya (2020)

INSURANCE COMPANIES			
1	AAR INSURANCE COMPANY LIMITED	29	LIBERTY LIFE ASSURANCE COMPANY
2	AFRICA MERCHANT ASSURANCE COMPANY LIMITED	30	MADISON INSURANCE COMPANY
3	AIG KENYA INSURANCE COMPANY LIMITED	31	MADISON GENERAL INSURANCE COMPANY LIMITED
4	ALLIANZ INSURANCE COMPANY LIMITED	32	MAYFAIR INSURANCE COMPANY LIMITED
5	APA LIFE ASSURANCE COMPANY	33	METROPOLITAN CANNON GENERAL INSURANCE COMPANY LIMITED
6	APA INSURANCE LIMITED	34	METROPOLITAN CANNON LIFE ASSURANCE LIMITED
7	BARCLAYS LIFE ASSURANCE KENYA LIMITED	35	MUA INSURANCE KENYA LIMITED
8	BRITAM GENERAL INSURANCE COMPANY KENYA LIMITED	36	OCCIDENTAL INSURANCE COMPANY LIMITED
9	BRITAM LIFE ASSURANCE COMPANY KENYA LIMITED	37	OLD MUTUAL LIFE ASSURANCE
10	CAPEX LIFE ASSURANCE COMPANY	38	PACIS INSURANCE COMPANY LIMITED
11	CIC LIFE ASSURANCE COMPANY	39	PAN AFRICA INSURANCE COMPANY
12	CIC GENERAL INSURANCE COMPANY LIMITED	40	PIONEER ASSURANCE COMPANY
13	CORPORATE INSURANCE COMPANY LIMITED	41	PIONEER GENERAL INSURANCE COMPANY LIMITED
14	DIRECT LINE ASSURANCE COMPANY LIMITED	42	PRUDENTIAL LIFE ASSURANCE
15	FIDELITY SHIELD INSURANCE COMPANY LIMITED	43	RESOLUTION INSURANCE COMPANY LIMITED
16	FIRST ASSURANCE COMPANY	44	SAHAM ASSURANCE
17	GA LIFE ASSURANCE COMPANY	45	SANLAM LIFE INSURANCE
18	GA INSURANCE LIMITED	46	SANLAM GENERAL INSURANCE COMPANY LIMITED
19	GEMINIA INSURANCE COMPANY	47	TAKAFUL INSURANCE OF AFRICA
20	ICEA LION LIFE ASSURANCE	48	TAUSI ASSURANCE COMPANY LIMITED
21	ICEA LION GENERAL INSURANCE COMPANY LIMITED	49	THE HERITAGE INSURANCE COMPANY LIMITED
22	INTRA AFRICA ASSURANCE COMPANY LIMITED	50	THE JUBILEE INSURANCE COMPANY OF KENYA LIMITED
23	INVESCO ASSURANCE COMPANY LIMITED	51	THE KENYA ALLIANCE INSURANCE COMPANY LIMITED
24	JUBILEE HEALTH INSURANCE LIMITED	52	THE MONARCH INSURANCE COMPANY LIMITED
25	JUBILEE GENERAL INSURANCE LIMITED	53	TRIDENT INSURANCE COMPANY LIMITED
26	KENINDIA ASSURANCE COMPANY	54	UAP INSURANCE COMPANY LIMITED
27	KENYA ORIENT LIFE ASSURANCE	55	UAP LIFE ASSURANCE
28	KENYA ORIENT INSURANCE LIMITED	56	XPLICO INSURANCE COMPANY LIMITED

Source: Insurance Regulatory Authority Kenya (2020)

Appendix 6: Sample of the Study

INSURANCE COMPANIES			
1	AAR INSURANCE COMPANY LIMITED	23	MADISON GENERAL INSURANCE COMPANY LIMITED
2	AFRICA MERCHANT ASSURANCE COMPANY LIMITED	24	MAYFAIR INSURANCE COMPANY LIMITED
3	AIG KENYA INSURANCE COMPANY LIMITED	25	METROPOLITAN CANNON GENERAL INSURANCE COMPANY LIMITED
4	ALLIANZ INSURANCE COMPANY LIMITED	26	MUA INSURANCE KENYA LIMITED
5	APA INSURANCE LIMITED	27	OCCIDENTAL INSURANCE COMPANY LIMITED
6	BARCLAYS LIFE ASSURANCE KENYA LIMITED	28	OLD MUTUAL LIFE ASSURANCE
7	BRITAM GENERAL INSURANCE COMPANY KENYA LIMITED	29	PACIS INSURANCE COMPANY LIMITED
8	CAPEX LIFE ASSURANCE COMPANY	30	PAN AFRICA INSURANCE COMPANY
9	CIC GENERAL INSURANCE COMPANY LIMITED	31	PIONEER GENERAL INSURANCE COMPANY LIMITED
10	CORPORATE INSURANCE COMPANY LIMITED	32	PRUDENTIAL LIFE ASSURANCE
11	DIRECT LINE ASSURANCE COMPANY LIMITED	33	RESOLUTION INSURANCE COMPANY LIMITED
12	FIDELITY SHIELD INSURANCE COMPANY LIMITED	34	SAHAM ASSURANCE
13	FIRST ASSURANCE COMPANY	35	SANLAM GENERAL INSURANCE COMPANY LIMITED
14	GA INSURANCE LIMITED	36	TAKAFUL INSURANCE OF AFRICA
15	GEMINIA INSURANCE COMPANY	37	TAUSI ASSURANCE COMPANY LIMITED
16	ICEA LION GENERAL INSURANCE COMPANY LIMITED	38	THE HERITAGE INSURANCE COMPANY LIMITED
17	INTRA AFRICA ASSURANCE COMPANY LIMITED	39	THE JUBILEE INSURANCE COMPANY OF KENYA LIMITED
18	INVESCO ASSURANCE COMPANY LIMITED	40	THE KENYA ALLIANCE INSURANCE COMPANY LIMITED
19	JUBILEE GENERAL INSURANCE LIMITED	41	THE MONARCH INSURANCE COMPANY LIMITED
20	KENINDIA ASSURANCE COMPANY	42	TRIDENT INSURANCE COMPANY LIMITED
21	KENYA ORIENT INSURANCE LIMITED	43	UAP INSURANCE COMPANY LIMITED
22	LIBERTY LIFE ASSURANCE COMPANY	44	XPLICO INSURANCE COMPANY LIMITED

Source: IRA (2020)

Appendix 7: Research Permit