

**CHALLENGES OF STRATEGY IMPLEMENTATION IN PRIVATE
INSURANCE SECTOR IN RWANDA**

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DECLARATION

I declare that this research project and the information therein is purely my work and have not been used or produced for the achievement of any award in any another academic institution.

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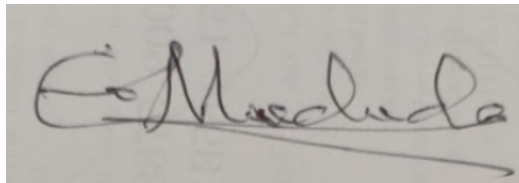
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Declaration by Supervisor(s)

This research project has been presented for examination with my approval as the University Supervisor.

Signature:



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For

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DEDICATION

I share this glorious and joyful achievement with my family for standing by my side as I labored to study.

ACKNOWLEDGEMENT

I am grateful to God for giving me health, focus and the ability to accomplish this research thesis

Special thanks go to my supervisor Professor Evans Aosa for his invaluable guidance and advice which enabled me to successfully complete this academic journey.

ABSTRACT

Any business wishing to grow must develop a strategy and implement it, and thereby see growth. However, strategy implementation is fraught with challenges. Accordingly, the research analyzed the challenges facing strategy implementation in private insurance in Rwanda. The research had two objectives: establish the challenges facing Rwandan private Insurance sector in strategy Implementation and establish how those challenges have been addressed. This research utilized a cross-sectional survey to identify and describe the challenges of strategy implementation in private insurance sector in Rwanda. The targeted population was the 12 private insurance companies licensed by National Bank of Rwanda (BNR), the regulator of financial services. The respondents were 12 managers from the company headquarters located in Kigali. The respondents were interviewed by phone and Microsoft teams calls due to Covid-19 restrictions. Quantitative data collected was analyzed through descriptive statistical methods and presented through tables and texts. The study established that challenges of strategy implementation in Rwandan private insurers were ineffective communication of the strategy, most of the staff and management in the Insurance companies in Rwanda were resisting to change, demonstrated skills gap and low level of professionalism, and that most strategy implementation processes were under funded. However, the study also established how Private insurers in Rwanda have addressed those challenges by setting up the minimum rates to motor insurance and planning to do the same in non-motor insurance to get enough funds, investing in capacity building to breach knowledge gaps and embrace digitalization of services. Accordingly, in the light of these challenges, the study recommends scaling up professional levels, adoption of technical pricing, digitalizing products and services and products diversification to help in strategy implementation and enhance performance of private insurance companies in Rwanda.

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LIST OF ABBREVIATIONS

ASSAR:	Association des Assurers du Rwanda/ Rwanda Insurer's Association
NBR:	National Bank of Rwanda/ Central Bank of Rwanda
SWOT:	Strengths, Weaknesses, Opportunities and Threats
RSSB:	Rwanda Social Security Board
MMI:	Military Medical Insurance
BKGI:	Bank of Kigali General Insurance
CEO:	Chief Executive Officer
CII:	Chartered Insurance Institute
Covid-19:	Coronavirus 2019 Pandemic

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

A walk in any serious organization and a brief interview with any management staff would unquestionably bring out the concern that competition has become rife and sometimes “violent”, meaning, from a professional perspective, the end justifies the means. Any organization to successfully achieve its goal in such competitive environment, will need a well-crafted strategy. However, having a good strategy itself is not enough for a company to succeed, the strategy implementation matters a lot. The implementation of a great and strong strategies allows any organization to achieve effective results and gain a competitive advantage (Awino,2013; Sage2015).

A strategy is a plan that puts together goals, vision, objectives, and actions of an organization into one successful direction (Mwenda, 2015). Strategies are important as they show the plan and end objectives of the companies in a specific time, therefore they need to be well implemented to achieve effectiveness and good company’s performance.

According to Kenny (2012), strategy implementation is the process that will set up to implement and observe the planning which include the goal and objectives in any given organization thus implementing the strategic plan that has been laid down for a certain organization. According to the research by Harvard Business School, many companies face challenges to execute their strategic plans which lead to improper resources

allocations, lack of structures and proper systems, lack of good governance, improper risk management, hence ineffectiveness performance of the organizations. However, companies use various methods to address the challenges faced in strategy implementation to keep the organization going.

This research was anchored by open system theory, stakeholders 'theory of strategic management and Resource based view. Open system theory is a way the organization interacts with its surrounding environment. Cutlip, Center and Broom (2006) argued that system theory adjusts and adapts the organization to turbulent environment surrounding the society. It can be related to Dynamic system by keeping the organization dynamic to the business environment changes. This theory was related to the study as it provided the framework of how the private insurance companies have been adopted to changes in the environment.

The resource-based theory can be linked to strategy implementation as the theory emphasis that organizations are different and can have different strategies because they have various internal resources and capabilities that make a difference when dealing with opportunities and threats in the external environment. An organization gets a competitive advantage by ways it has exploited its inner resources being capital or human while responding to available opportunities and threats (Barney, 1995).

The Stakeholders 'theory of strategic management was applicable to this research as it tries to explain that the only reason shareholders appoint the management is to maximize the returns on their investments and they can only achieve that by working and satisfying

other stakeholders in the business, starting from the customers, workers, public, suppliers, government, etc. This will be achieved by implementing the organization's strategy which explains plan of actions and direction of the organization in defined time. The management of insurance companies are agent of shareholders as pertain to the strategy implementation in the company.

The insurance sector in Rwanda is composed of public and private insurers, and the public is dominated by Pension and seem to perform well compared to private insurers dominated by general insurance that have its own challenges. Private insurance companies have been experiencing unprecedented growth, and inefficiencies in results which has led to many acquisitions and at the same time competition has become rife considering the entry of new players in the market who are all keen on succeeding and turnaround the insurance performance. The fact that all insurance companies in Rwanda want to make profits and grow is of significance, they have developed strategies and the implementation seem to be a challenge to the success of the insurance private industry in Rwanda. Hence, this research aimed to establish the challenges of strategy implementation and establish how to address those challenges.

1.1.1. Concept of Strategy

A strategy is a long-term plan of action designed to achieve a particular goal, most often "winning" (Wangari 2015). Strategy is more appropriately linked to company policy, that is, the direction the company wishes to tread for the long term. As such, strategy is differentiated from tactics or immediate actions to put out emerging fires. By its very

nature, it is extensively thought about beforehand, and often practically rehearsed. Clearly, strategy must add value, or in other words enhance sustainability (Zahid,2014).

To highlight the fundamental importance of strategy, some companies employ strategists-hired to simply come up with strategic company policy directions and as it were, sweep the competition off the floor. Wangari (2015) posits that strategy points out the direction the company is headed, and where resources (human and financial), must be channeled for maximum impact. A company without a strategic compass is directionless and will veer off its course. Accordingly, it will waste both human and financial resources, and get overrun by competitors who have their own strategy since a strategy gives firms a competitive edge.

Hamel and Prahalad (2013) posit that companies that dominate their fields are moored on “strategic intent” an overarching desire to dominate their fields of endeavor. Coming up with a winning strategy involves intuition, tacit knowledge, and learning-by-doing in complementing more “scientific” analysis. Chang, Fernando and Tripathy (2015) argue that “unlike mathematics, chemistry, or even economics, strategic management lacks an agreed upon internally consistent empirically validated body of theory”.

Accordingly, although it employs theory and theoretical concepts, “these are drawn mainly from economics, psychology, and sociology- principally on an *ad hoc* basis” (Wesulah 2016). Strategy then, is a portmanteau concept, borrowing from diverse disciplines. However, although it has borrowed from other areas of learning, it stands on its own two feet, with immense application in many areas including the military, business,

politics, family, warfare, sport and education. Everything hinges on strategy. Consequently, strategy is a *sine qua non* to any organization that wants to soar to greater heights and enhance their sustainability.

1.1.2. Strategy Implementation and Challenges

Newman (2008) states that strategy implementation is elementary for organizations' success in the sense that it is used to define work to be done, who should do the work, when, where and tactics of attaining the defined goal. Strategy implementation happens after formulation of strategy, the outcome from organization's SWOT analysis.

Implementation is the way of carrying out the pre-determined strategic plans, ways that comes without expectation or any other way that someone could have believed that it will be involved in all levels. This will involve putting into action plans, policies, tactics through a designed program and developed procedures to achieve set objectives.

During the stage of implementing the strategy, different activities are to be defined from the management level and communicated for effective outcome, and that shall involve putting in place necessary management tools to control and appreciate if the organization is in the right direction (Raps &Kauffman 2005).Leaders are much involved for the success of strategy implementation by identifying where to dedicate more time, allocate human capital with the right skills, and determine budgetary resources.

Strategy implementation includes maybe from the time of processing of having group that are committed through having different group coming together for decision making, to

make sure that strategic planning is well implemented in the aim of attaining the organization mission and vision.

There are many reasons of strategy implementation failure, but some researchers highlight that strategy implementation involves intensive resources and its process is challenging and therefore, someone needs to understand the challenges to strategy implementation which will help to avoid the most common unsuspected difficulties towards the company's success and achieve competitive edge.

Many companies face challenges in the strategy implementation such as parallel run of priorities, inadequate management involvement, choice of leadership style, inadequate communication of the strategy, inadequate management development (Kaplan 2005). Such challenges will lead to incompatibility to objectives of the organization. The management and implementers lack to interlink the inter-dependency of different factors and to keep in mind that there is no factor to be ignored by someone to succeed in strategy implementation.

The environment forces and threat also affect strategy implementation and most importantly, the values and expectations of stakeholders with more power in hands and around the organizations (Johnson & Scholes 2002). Others studies observes that the strategy implementation challenges faced by organizations are complex to understand due to various complex role of various departments which sometimes are ambiguous, in addition to social, technological and political aspects when not well analyzed in the planning stage reading to the failure of strategy implementation, hence a need to be given

more importance for easy and successful strategy implementation process (Plunkett et al.,2008).

1.1.3. Insurance Sector in Rwanda

Insurance Sector in Rwanda is regulated by National Bank of Rwanda (NBR). The law governing the Organization of Insurance gave distinction of public and private insurers. Public insurance business is mainly pension and medical scheme for government entities managed by Rwanda Social Security Funds (RSSB) and Military Medical Insurance (MMI); while private insurance companies have the rest of mainly general insurance business and Health and life. By the time we were doing the research, 9 private companies are licensed to do short term insurance and 3 companies are doing long term insurance.

According the NBR' s Monetary and Financial stability report in February 2020, the Private insurance sector has 804 agents, licensed 17 brokers, and 120 loss adjusters.

Before the year 2008 when the NBR were manded to regulate insurance services, the private insurance sector was composed of companies combining both life and general insurance business for years. The shareholding was dominated by domestic investors but later they have interested international investors to buy some shares. In 2009, the regulator in his reform introduced a guideline to separate General Insurance and Life insurance business which forced in the restructuring of companies. The companies which were doing composite insurance gave birth to new licensed life companies and it almost doubled the number of companies end of year 2012. In 2013 to 2016, the private

insurance sector expanded with a new licensed five companies doing non-life insurance business (Radiant, BKGI, UAP, Britam and Mayfair). This showed interest of foreign insurance group with experience operating in Kenya investing in insurance sector in Rwanda to expand their activities.

From 2014 to date, mainly due to solvency issues, the private insurance sector continues to experience various changes and development. Foreign insurance group have been fully acquiring and taking majority shareholding. This was an indication of opportunities and potential market growth and profitability.

However, when you look at the combined private insurers results, the profitability has been a challenge despite coming in of foreign players with much experience in African insurance Market. The results are considerably volatile for many years, and this is not unexpected for any investor looking for a return on his investment. Underwriting income, defined as insurance technical results of net earned premium minus incurred losses and expenses, has been negative for several years as per National Bank Report. Following all these challenges, the regulators has been requesting most of all companies to recapitalize and present to the regulator the performance turnaround strategic plans hence the implementation has been a key to overcome the industry challenges.

1.2. Research Problem

The strategy implementation in any organization is elementally for management to deliver their responsibilities and honor their promise to the owners of the business. However, strategy implementation has become a challenge for many organizations, and this have

been explained by the low success, which is not justifiable compared to well strategic planning, and performance being expected (Koskei, 2003).

When you have a well formulated strategy, strategy implementation becomes a concern that requires everyone in the company to invest energy and effort for success and achieving to the organization's goal, but it has not been always the case. The study shows that 60 to 80% of the organizations in general do very well in strategy formulation but either fail or seriously struggle during the strategy implementation. This rate is high and is worrying for any stakeholder to believe whether the organization will achieve their objectives and goal. By lacking support and confidence from various stakeholders, in some instances, this explain failure of some companies (Carter and Pucko, 2010).

Taking the study into context and perspective, previous review of the private insurance industry in Rwanda portrays a slow surge in growth which has been attributed to various factors among them the high combined loss ratio, the low morale of employees, high turnover and also staff poaching and fraud in claims process. Other researchers have mentioned that under-development in systems technology, low professional technical capacity, and capital market limitations are among the challenges which lead to low successful of the strategy implementation (World Bank Report, 2014).

Following all the challenges facing Private insurance companies in Rwanda, management of the companies, and policy makers together with the Association of Insurers (ASSAR), have been introducing initiatives to develop the market and make it more attractive. They have sought for strategic management as a tool to save the industry by planning and

formulating good strategies. However, the insurance companies continue experiencing great challenges that may result to closure of companies, other being taken under receivership, and others encouraged to merge, despite having good strategic plans in papers.

Similar studies have been done on challenges of strategy implementation, Lemma 2018) did a study on prospects and challenges of strategy implementation in insurance industry focusing on Awash Insurance, Lucy Insurance, and Nile Insurance Ethiopia. Closer home, Magambo (2012) conducted a study to determine challenges in public corporations in Kenya, while Omollo (2014) did a study on Challenges in the implementation of strategic plan at APA Insurance company Kenya. The above studies show that organizations face different challenges in strategy implementation. Accordingly, they are pertinent and relevant to this study. However, they are alien to the Rwandan context since they were conducted elsewhere and not in Rwanda yet private insurance companies in Rwanda face challenges during strategy implementation. Therefore, the study sought to cover the research gaps in previous studies and answer the question of what challenges do private insurance companies in Rwanda face in their strategy implementation?

1.3.Objectives of the study

The objectives of this research were:

- Establish the challenges of strategy implementation in Rwandan private Insurance sector and,

- establish how the challenges of strategy implementation in private insurance sector in Rwanda were addressed.

1.4. Value of the study

This research project will be of very outcome first to practitioners; it will provide the direction to the insurance companies on how to solve the challenges of strategy implementation that affects them during their journey of the success. It will also be of significance to the people who invest and work in Rwanda insurance companies. It will provide the eyesight in the problem they are facing in the strategy implementation and how to solve various challenges in the insurance industry.

The outcome of this proposal will be of very important to the Policy makers, as it will help in creating rules and regulations that will help to strengthen further the insurance companies and be aligned with other financial Government policies.

It will also help the scholars and other writers in pointing the best topics to be performed and help in assisting of problems solving in their proposal about strategy Implementation in insurance services sector.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The purpose of this chapter is to introduce the literature review and those other lilted topics, the main reviewed theories includes, Resource based View, Stakeholders theory, and open system theory.

2.2 Theoretical foundation

This part introduces the theories on which the research was founded on and gives us a picture on which the research investigation theory was based on.

2.2.1 Resource Based View

According to Barner J.B 1991, in his article Firm Resources and sustainable competitive advantage, suggests that organizations acquire enduring competitive advantage by implementing strategies which make use of their internal strengths by reacting to environmental opportunities and manage well to eliminate the internal weaknesses and turn environmental threats into opportunities.

Sufficient resources to manage your finance and skilled staff to exploit the resources is very important when it comes to manage strategy implementation in a competitive viable business environment (Wade and Hulland, 2009).Firms which have more resources can easily develop solutions and respond to environmental and technological needs than rivals with no capabilities. Accordingly, this theory predicts that a dearth of resources spells a

disaster for policy implementation, for without resources; all an organization can do is come up with policy drafts that will never be implemented.

Consequent to this, this theory suggests that an approach for resource-based methodology has been put in place to formulation of strategy implementation. This takes into account a process of various activities; formulation of strategies; resource based assessment, caning the organization strengths, assessing the external forces of the organization, choosing an approach, and spreading the advancement the institutional pool of capacity and capability of performance (Rumelt 1984).

This theory relates to the study in the sense that it shows the managers the way the internal resources and capabilities can be exploited and best allocated for the success of the strategy implementation.

2.2.2 Stakeholder's theory of Strategic Management

In any business, stakeholders play a very important role for the business to exist. A stakeholder in an organization is any person or party that is involved and has an impact to the business or can be also impacted by the business. The theory suggests that there should be emphasis on the relationship between the business and all stakeholders in an ethical and moral manner (Donaldson, 1995). It suggests that dealing with your stakeholders with business and professional ethics is key in the success and sustainability of any business.

The clients, staff, suppliers, shareholders, and the community in general should be given value they deserve by the managers if the business wants to achieve their mission because

the business is basically built to them (Freeman, Wicks, et.al, 2004). The business is there to serve the needs of the stakeholders, and not just the shareholders.

According to Mansell (2013), this theory gives a deep meaning and understanding of the essence of interconnections that exist between the business and the stakeholders. For strategy implementation to be successful, the employees in different level needs to understand and own the process after they have been convinced of the impact and the value it will bring to their future lives and that of the company. Therefore, for managers to achieve planed objectives of the organization, they have a great role to explain and communicate to stakeholders the value that the business brings to them and keep the strong long relationship with stakeholders.

This theory relates to the study in a way that the insurance companies like any other business should responds to the needs of the stakeholders for being successful. It is a stark reminder that business does not happen in a vacuum, that there is a thread connecting every person with a stake in business. A small disconnect and things rapidly go haywire, with the flow interrupted. Hence, much value should be given to policyholders or clients in formulating and implementing the strategy without forgetting the involvement of each stakeholder in each stage for effective implementation.

2.2.3 Open system theory

The open system theory in a wider sense applies to strategy implementation and can be explained by the fact that the theory shows a clear look of the organization that can openly interact with the surrounding environment. Companies and organizations success

rely on their way they interact with the surrounding environment in the value chain in the form of information and energy of what comes in and out to the changing environment.

The theory is built on the fact that organizations are social systems composed of subsystem that keep continuous communication to each other together with the surrounding environment where it gets the input and transform them into output and the cycle continues. The business gets input in different forms from the environment and releases the output in the form of products or services to same environment.

The organizations are influenced by economic, socio-cultural, legal and technological environments and they have to adapt to dynamism nature of the environment for its survival. This theory relates to the study to understand the way strategy implementation has been adopted to changing environment for its input and output over the period given the dynamic and complex environment that service providers like insurance sector is facing due to rapid technology change.

2.3 Strategy Implementation Process

As noted above, the strategy of an organization represents a plan detailing the actions, tactics and approaches towards the vision and organisation's goal. A strategy is a plan which guide the organisations' direction to achieve its' objective by determining set of actions to be done , when to be done, where and by who with a focus on the future (Chemwenoet, al 2014).

It is an organised set of actions that an organisation plans to do in order to achieve a specific goal and defines in large how organisation's various departments collaborate and

communicate in an effective and efficiency manner in the aim to deliver and achieve the target at the right set time.

Organisations work in a turbulent environment and any organisation is required to strategize itself taking into consideration the forces surrounding them which can influence their plans for a competitive advantage. There is a need for an organisation before designing its strategy to analyse their internal forces and skills to strategize how to approach the external environments dealing with threat and responding at the right time to available opportunities. According to Aosa (1992), competitive strategy is intended to effectively match the use of internal resources capabilities in responding or addressing the challenges in the surrounding business environments. To achieve their goal and vision in specific defined time, the top management should come up with a strategy which is simple and realistic taking into consideration of the available resources and capabilities, defining what, how, where, when and by who actions are done for a competitive advantage.

A strategic vision must be supported by visionary leadership which is inclusive from top to bottom and involves participation of everyone in the organisation for success. Therefore, simple and understandable strategy is key and should be efficiently and regularly communicated to every member of staff in the organisation to share same culture.

The strategy formulation is the first stage of strategic management process and deals with 'what' and 'why' questions to needed activities, whereas the strategy implementation stage deals with 'how' to be done, by 'who' and when and 'where' to be carried out.

Belyh (2019) states the basic process is to start with setting annual objectives from the strategic plan, define where to play by formulating the policies and procedures to implement strategies, do budgeting of the activities by allocating the available resources and define where to get lacking resources, then start action of various tasks and activities. Finally, the management need to make sure that they lead at the forefront and control the performance of tactics in the entire organization.

2.4 Factors in strategy Implementation

Implementation is an important stage of strategic management process. Organisations may well scan the environment and formulate a good strategy, but for this strategy to work, a strong and appropriate leadership style is necessary to enable managers/leaders to communicate, coordinate, direct various actions plan to achieve the set objectives and goals of the organisation (Pride & Farrel, 2013). According to Letting (2009), Senior management/leadership has a huge accountability role to make sure that the strategy is working as formulated to achieve targeted goals. Leadership is critical in any venture, and strategy implementation is no exception. Leadership may be viewed as a relationship whereby one person influences the behaviour or actions of other people. Viewed this way, it can be seen as a three tiered event process: it is at once the exercise of ability, influence

of individuals, or group behaviour, and finally, a mutual collaboration with others for the purpose of achieving a common goal.

Accordingly, victory in any outreach is the result of collaboration between all players in a firm, and success is therefore achieved when both leaders and followers work on a joint effort. It is a cliché, but the truism is true, that holding a position of leadership does not make one a leader. A leader must earn trust respect and acceptance by the influence and action he engenders. Sitting atop the pyramid and insisting everyone will bow and obey you just because you are the leader just won't wash any more. Persuasion and motivation through knowledge and skills, while all the time illustrating that he is a human being just like them, and not a demi god, is the key to the effective leadership that engenders results. Hence, the top management must have required knowledge and skills and actions which will demonstrate them as visionary leaders, to encourage and motivate employees in their routine work towards organisation's vision.

The organization's culture is also at the forefront for any organisation to attain the effective performance (David, 2013). Therefore, the strategists in the organisation must ensure that the strategy fit in a constant manner the organisation culture if it must achieve its intended goal. Simply put, culture is how people live and how they carry themselves and sort out issues as they arise. The organizational culture is developed by shared communication, developing a certain way of doing things, and making openness and transparency the environment in which everything coheres. It is crucial to the proper implementation of strategy, since nothing can be implemented in a vacuum. Culture is the

life force of the organization, and without it, there is a lacuna in the implementation process and nothing lasting can be achieved.

According to Nebo et al, (2015), a very good communication of the strategy from top to bottom line and vice versa is elemental to achieving successful results in the process of strategy implementation. An organization can dream of the best strategy but gets defeated in communicating has really failed. If, as noted earlier leadership is the hinge on which everything pivots, then communication is the life blood of the organization. Without proper communication of strategy and policy, everything stagnates, and goes stale, and nothing gets implemented because the strategy was not vividly communicated. Every stakeholder must understand the nitty gritty of the strategy and be able to recite it in his sleep. In other words, the communication must be so clear to everyone until it can be said that every person is singing from the same hymn book. In light of this, communication is a key factor to make sure that the organisation achieves effective performance by ensuring that factors of production are well allocated and entire staff is in the right direction towards the same vision.

Noble(1999) notes that the organisation may have a well formulated strategy that may fail to achieve the peak performance as intended due to negligence given to implementation stage. Therefore, the implementation process if not carefully and effectively done, the strategy will be drafted and remain in papers. Pearce et al (1997), stresses the important components that managers need consider for effective strategy implementation process. The organisation structure review, maintaining good organisation culture, adopt good

leadership style, instituting strong systems are some of those components. Most importantly, the more these components interrelate and communicate to each other, the more fruitful it is, and the more the journey to success becomes easier. To conceive a strategy and not pay attention to implement it successfully should actually be regarded as an act of uttermost folly, and a total waste of resources, something for which the senior leadership of the firm should be sanctioned. Accordingly, it is of paramount importance that strategy be nurtured carefully until maturation.

Basically, the factors to take into consideration in strategy implementation are enough and right people, resources both available internally and externally, proper communication, in addition to 7S Framework as per Mckinsey (structure, systems, style, shared values, strategy, skills, staff).

2.5 Challenges in strategy implementation

It is a fact that most of the organisations either by themselves or through consulting experts in strategic management formulate strong and best strategies for their organisations, but not all these best strategies necessary results to great expected performance. Sometimes, things go haywire in the implementation process, and the expected outcome just does not materialize. According to Michael B. & Russel A.(2000), there are six identified silent killers when it comes to strategy implementation stage; laissez faire or unclear management style, the problem also might be in a strategy not well formulated and you may have conflicting actions and priorities; the other killer might be ineffective management team with not skills and capability to implement the strategy;

another one may be challenge in communication being vertical and horizontal across the organisation, weak coordination and finally the inadequate and poor skills and understanding of your departmental and line managers. These killers are present in most of the organisations but most the management team in various organisations avoid hearing and dealing with them. They also interrelate to each other and results affecting the management function of directing, learning and development and collaboration. Hence, lack of accountability in the organisation, no proper communication of the strategy from top down, no clear leadership style to support the strategies, failure to explain regularly why you need to do things differently to whole of the team, lack of involvement of the senior management, failure to accept and realize at the right time that strategy can sometime not work as planned.

Monitoring and control is another strategy implementation challenge to make sure the organisation is moving as planned in the strategic plan and make adjustment when necessary with time. Crittenden et al. (2008) argued that monitoring and controlling are challenging in the sense that when people are being influenced and strictly directed in what to do, it hinders innovation and creativity skills of the employees hence a challenge to make a difference as an organisation. However, that should not take away from the important role played by monitoring and evaluation in the actuation of strategy. The leadership should segment the actuation process and keep an alert eye out to ensure that each step is done according to plan. The best part is when the process can be evaluated while heeding the warning given out by Crittenden et al (2008). That is, where the innovation, imagination and creativity of the employees is unshackled. Maybe the right

way is to cultivate an environment where there is no fear, where, even when a unit is under the spotlight, it can still have the freedom to innovate and be entrepreneurial. Organizations that can strike the key balance between monitoring and the unshackling of the thought processes of their employees will definitely fly.

There is a need for manager to balance the level of control to ensure strategy is implemented as intended to but also ensure freedom and create a sense of ownership and accountability in employees for successful strategy implementation. The leaders also with too much monitoring and control might forget to focus on the job itself and only focus on strict implementation stage of the plan without matching and make integral part of their daily job by facing the reality on the ground.

Another challenge facing the strategy actuation process is the lack of training for the implementers. The dearth of skills is a serious issue, and it could well sound the death knell for entire process. Untrained workers are essentially unarmed workers, who are incapable of taking the organization where it needs to be. This is akin to sending soldiers to war without first sending them to trainings school or sending them to war without first giving the requisite weapons. If poor skills among employees extend to departmental heads and lines managers, the strategy actuation becomes disastrous. Accordingly, the right training of strategy implementers is pivotal to the successful implementation of a strategy.

In addition, unmotivated employees will never fully implement a strategy. Rewards be they monetary or non-monetary are key to motivating employees or policy implementers.

Underpaid employees are less likely to be motivated. An organization that pays employees money that can't allow them to earn a decent salary, will find those same employees unmotivated to take the organization to greater heights. Accordingly, it is imperative for an organization to pay its employees well for that ensures their motivation. The challenge with some organizations is they are small and just starting on their process of growth. Since they have little capital to spare, they can hardly afford to pay their workers remuneration that can afford them a decent living. Consequently, they either hire workers with low qualifications, which in turn means they cannot work or implement strategy- any strategy- effectively, or they hire qualified employees and then fail to pay them, which then causes them to be unmotivated.

Either result spells doom for the organization. Having unqualified staff means the organization will stagnate or go backward, which in an environment of cutthroat competition means closing shop. On the other hand, hiring qualified staff and then paying them peanuts simply leaves the organization with unmotivated staff who will bolt at the slightest opportunity once a hint of better pastures manifests.

Consequently, the answer stares at us as the light of day. Employees must be motivated with high pay, trips, recognition, holidays, and enough days off. Only then will they unburden themselves and do their utmost to raise the organization to esteemed heights where it rightfully belongs. Until then, strategy implementation will remain a mirage.

Finally, and probably, as a result of all the above, is the challenge of resistance to change. Wesulah (2016) alludes to this when he says that in organizations attempting a strategic

take over, employees must have a pro change attitude. Strategy implementation is about changing from one paradigm or dimension to another. A formidable enemy to this change is meeting employees or implementers who are fixated or stuck to the past and are unwilling to change and embrace a new dawn. This can happen for several reasons. It could be because of love for the status quo, or because the employees do not yet own the new program, or because the employees are unmotivated, or the employees feel the implementation will hurt them.

As mentioned earlier, resistance is a confluence of several factors. Failure to clearly communicate a strategy will result in employees refusing to own a strategy. Poor remuneration will impact in low morale, and hence resistance to change. A poorly crafted strategy that fails to realize that employees are the principal implementers will leave gaps and ambiguities in the minds of employees. This might make them think that the organization “is out to get them”, and that in the end, the strategy will hurt them.

Accordingly, it is crucial that the leadership of the organization crafts an all-encompassing strategy that views employees and other stakeholders as the pillars on which the organization is moored. Besides, the leadership must take time to address the systemic flaws in the system, to make sure that bottlenecks that yield resistance are straightened out. In this way, employees will embrace new strategies and implement them since they already embrace the strategy and know it is for their good, and for the greater of the organization.

2.6 Empirical Studies and Research Gaps

The empirical literature review is done to find out what other researchers have found and observed after doing a structured study with specific questions in the same area of our research and guide as in the interpretation and appreciate gaps left by the past studies (Marilyn & Johanna,1997).

It is undoubtful that due to the critical role of strategy implementation in strategic management process, it has been given more attention by quite number of researchers, as most of the organizations have demonstrated much efforts in crafting very good strategic plan by use of all means, but it end up remaining in the papers as stakeholders cannot experience or notice the organization change after the strategy has been formulated and approved to be implemented (Sorooshimet. Al, 2010).

Researchers in this area, such Magambo (2012) Challenges of strategy implementation in public corporation in Kenya, Mwenda (2015) Challenges of strategy implementation and performance of the National Registration Bureau of Kenya, Mwangi (2016) Influence of strategy Implementation on performance of manufacturing small and medium firms in Kenya, have been in manufacturing sector mainly in product industry and other studies in service delivery industry in parastatals or nonprofit making organizations and Banking industry. From the review of literatures, it was found that political interference and leadership without forgetting the culture were the main dominant challenges in strategy implementation. This might be different Rwanda. The research gaps found is that not much have been done in the private insurance service sector and much of the research was

in Kenya and not in Rwanda which was due to high learning institutions which were still reconstructing after 1994 Genocide against Tutsi which left almost nothing.

Notably in Rwanda, most of the studies earlier done in the insurance sector sought to analyze the financial performance and not much have been done in strategic management studies considering that postgraduate candidates were still few until from 2013 when Kenyan and Ugandan universities started investing in high learning education in Rwanda. Therefore, studies in strategic management in Rwandan private institutions are few given that the sector itself was struggling to reconstruct. The same was happening in private insurance sector which the Government tried to establish clear rules and regulations since 2009 when the National Bank of Rwanda were mandated to regulate and supervise the sector. This explains the challenges and gaps which are in the sector as the sector is still growing. The purpose of this study is to identify which of these identified challenges apply to strategy implementation in private insurance sector in Rwanda and how they have can be addressed for a sustainable development.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains about research design, population of the research, data collection and analysis methods.

3.2 Research Design

Kothari (2004) describes a research design like methods and techniques that are used when collecting and analyzing data taking into consideration time factor, flexibility, and research objectives to find answers of the research problem. Our research used a Cross-sectional survey design to identify and describe the challenges of strategy implementation in private insurance sector in Rwanda.

Cross sectional survey is suitable to this research as it will enable the researcher to gather and analyze information at one given time from different companies forming our population of the study.

3.3 Population of the study

The study used a census, and the population were all 12 private insurance companies licensed by National Bank of Rwanda (BNR) the regulator of financial services by the time of conducting our research (<https://www.bnr.rw/financial-stability/insurance-pension/list-of-licensed-insurers/>).

The study will target the senior level of management. The targeted respondents from these companies were 12 from 12 companies working in headquarters located in Kigali for all private insurance companies.

3.4 Data Collection

The study collected primary data and secondary data to achieve the objective of the study. Much emphasis was given to collect primary data, which were collected by using an interview guide. Mugenda and Mugenda (2003), defined the interview guide as a set of questions structured in logical manner that the interviewer asks during an interview.

The study used interview as an instrument to collect data. Interview guide questions were formulated to collect accurate and same information. The interview guide was made of structured questions (both close ended questions and open-ended questions) designed to collect information answering to the objective of the study. The interviewer used telephone calls and Microsoft Teams to conduct the interview given that the research was conducted during the covid-19 pandemic restrictions when physical meetings were not allowed.

While collecting the data, the study used a census survey. Data were collected in all the 12 private insurance companies. Because of the time limit, 1 Respondents was selected in each company to be interviewed. The targeted interviewees were 1 staff from Top Management. The interviews were administered to those groups of people because they occupied better position in understanding the strategy implementation process, hence

could provide accurate and helpful information on the research questions. Secondary data was also reviewed, such as publications of companies, regulator's circulars particularly related to strategy Implementation.

3.6 Data Analysis

This study used census survey while collecting data, hence the population parameter is the same and do not vary for the 12 private Insurance companies in Rwanda. This study used descriptive statistical analysis to understand content and pattern of information and data collected and present them in a systematic order to draw recommendations and conclusions. Hseih& Shannon (2005) state descriptive analysis as a process of using statistical techniques to describe and analyse the data collected to draw an insight and give a meaningful explanation to the data.

Data coding and quality check was used to ensure accuracy and elimination of errors in the data. Data analysis involved observation and detailed description of answers that comprised the study. The data were interrogated and analysed by descriptive statistical measures of frequency (count and percentage) to show how often a response were given and the results of the data were presented and interpreted using tables and texts.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

In this section, data obtained from the field is analysed and presented. Moreover, findings from analysed data are presented here, in line with the study objectives. Data collection was done through interview schedules. The main goal of the research was to evaluate the challenges of strategy implementation in private insurance sector in Rwanda and find out how to overcome those challenges.

4.2 Response rate

The study targeted 12 executives in the private insurance sector in Rwanda. These executives were interviewed over a two weeks period, indicating a 100% response rate, as shown in table 4.1.

Table 4.1: Response Rate

Response rate	Frequency	Percentage %
Executives who responded	12	100
Executives who did not respond	0	0.00

4.3 Demographic Information

The study respondents were dominated by male (7) representing a percentage of 58.3% and female were 5 representing 41.7% in the management level. The study established that 3 respondents (25 % of the respondents) were aged 30-35 years, 3 respondents (25% of the respondents) were aged 36-40 years, 4 respondents (33.3 %) were aged 41-45 years, 1 respondent (8.3 %) was aged 46-50 years, and 1 more respondent (8.3 %) was aged 51-55 years. The results are shown in Figure 4.2. As shown by the results, the highest number of managers in the Private Insurance companies in Rwanda are between the ages of 41-45.

The study found that 5 respondents (41.7 %) had undergraduate degrees, while 7 respondents (58.3%) had masters' degrees, as Figure 4.2 shows. This shows all the senior managers of private insurance companies in Rwanda have university degrees, with some going ahead and getting a masters' degree. However, few have done professional courses in Insurance like Advanced Chartered Insurance Institute (ACII).

From the study, 7 respondents (58.3 %) had been with the company for 1-5 years, while 3 (25 %) had been with the company for 6-10 years. 2 respondents (16.7%) had been with the company for 10-15 years. The results are presented in table 4.2. As indicated by the results, most of the managers (7) had been with the company between 1-5 years.

Figure 4.2: Demographic characteristics

		Frequency	Percentage	Cumulative
Gender				
	Female	5	41.7%	41.7%
	Male	7	58.3%	100.0%
Age of Respondents				
	30 - 35 Years	3	25.0%	25.0%
	36 - 40 years	3	25.0%	50.0%
	41 - 45 years	4	33.3%	83.3%
	46 - 50 Years	1	8.3%	91.7%
	51 -above	1	8.3%	100.0%
Level of Education				
	Bachelor's Degree	5	41.7%	41.7%
	Masters	7	58.3%	100.0%
Years of experience				
	1 -5 years	7	58.3%	58.3%
	6 - 10 years	3	25.0%	83.3%
	11 - 15 years	2	16.7%	100.0%

Source (Autor 2020)

4.4 Challenges of Strategy Implementation in Private Insurance in Rwanda

The study revealed that Private insurance companies are facing various challenges during their strategy implementation and among others:

A lack of proper communication of the strategy is one of the challenges facing strategy implementation in private insurance companies in Rwanda. This is because when asked if the strategy is well communicated in the organisation, 5 respondents (41.7%) said that the strategy was well communicated to everyone in the organization, while 7 (58.3 %) said that the strategy was not well communicated to everyone. This suggests that there is a

challenge with communicating the organizations' strategy, with 7 respondents saying that the strategy is not clearly communicated to everyone in the organization they lead.

In addition, lack of enough resources, both human and capital, was found to be another challenge facing strategy implementation in Private insurance companies in Rwanda. This is evident from the study findings since 2 respondents (16.6%) said yes, the organization had enough resources, 8 respondents (66.7%) said no, and 2 respondents (16.6%) said the organization had resources, but not enough. The results imply that in 10 organizations, there are either no resources, or not enough resources to implement the strategy. This was being explained by the nature of insurance service whereby the budget is the projected Gross Premium Income that the company will write during a specific financial year. When the projections are not realistic, all strategic activities are not done due to lack of resources to fund them.

Further, lack of well-equipped and skilful employees was unearthed as another challenge facing private insurance companies in Rwanda. The study findings bear out this conclusion. When asked if the Staff are well equipped and have enough skills to Implement the Strategy, 4 respondents (33.3 %) said yes the staff are well equipped and have enough skills to implement the strategy, 6 respondents (50%) said no, while 2 respondents (16.7%) said the staff are moderately supported. This leaves it evenly tied, with 6 saying the staff were either well equipped or moderately equipped and had enough skills and another 6 saying the staffs were not well equipped and did not have enough skills. Moreover, 4 respondents (33.3 %) said the strategy implementers are adequately

trained, while 8 respondents (66.7%) said they are not adequately trained. Lack of adequate training by strategy implementers, as raised by 8 respondents is therefore a challenge facing strategy implementation in insurance companies in Rwanda. This is stressed by some respondents who revealed that the unprofessionalism and lack of skills in insurance is due to lack of Insurance college in Rwanda or any other professional institute to train insurance professionals. Hence, people learn from the experience of the old brothers, whom you are not sure if they are teaching you the right thing! This is a challenge to strategy implementation in a sense that people do their things in a traditional way that they are used to and not ready to embrace the change.

Further, from the above point, the study established that resistance to change is a fundamental challenge facing strategy implementation in private insurance companies in Rwanda. When asked what is the attitude of the Staff and Management to Change, 10 respondents (83.3 %) said that the staff and management resist change, while 2 respondents (16.7 %) said that the staff and management have a positive attitude towards change. The results suggest the most management and staff (10) are very resistant to change, and thus portend a real danger to implementation of new strategies. Accordingly, a new strategy that suggests a new way of doing things will face challenges from the staff and management. This suggests that a major challenge facing private insurance companies is employee inertia, or inability or unwillingness by employees to act on key strategic initiatives.

Finally, when asked in general other challenges affecting strategy Implementation, respondents also cited frauds in claims management, external factors like covid-19, lack of support from government and regulatory authorities in fixing minimum wage which has a huge impact in determining the indemnification amount in bodily injury claims and court awards in insurance related cases and too many players in a small market, and high employee turnover, were major challenges.

4.5 How the Challenges of Strategy Implementation were addressed in Private Insurance Sector in Rwanda

The 12 respondents posited that training of the strategy implementers and the staff would go a long way in addressing the challenge of lack of professionalism and the dearth of skills that was cited as a challenge. Training ensures everyone in the team is imbued with the necessary skills and expertise to implement strategic initiatives. Accordingly, this will enhance performance.

In addition, the respondents cited technical pricing as a way out of the bottlenecks facing the implementation of strategy in private insurance companies in Rwanda. Often private insurance companies underprice the insurance products aiming to undercut the competition and ensure cost leadership in their line of business. However, this underpricing ends up bringing everybody's price down and driving business to a loss hence lack of funds to support development and innovative initiatives. Accordingly, respondents suggested technical pricing of insurance products and services have been a cure to lack of funds to strategic initiatives. This is a continuous process as only Minimum Motor rates are in place and there is a plan of fixing non motor rates.

Moreover, respondents said that innovation and digitalization of services is helping to overcome the challenges they were going through. Innovation in the insurance industry is the only prospect for growth in this turbulent environment. The apogee of innovation inevitably is product diversification and application of telematics in motor insurance which enhances performance by cutting of the unnecessary expenses and control over the supply chain of the business hence avoid fraud in the claims management which seem to be a nightmare to insurance sector in general. ASSAR, the insurance association is in the process of identifying a technological firm to assist the market developing a software in response to the fraud in the claim's management chain.

Better support from government was also raised as a way taken to overcome challenges facing strategy implementation in the private insurance companies in Rwanda. The government work hand in hand with insurers to come up with appropriate regulations to assist in tracking and prosecuting fraudsters and conmen who steal from the insurance industry in Rwanda. In addition, the government helped in enforcing the regulations concerning underpricing and ensure professionalism in the entire supply chain of insurance products and service by reviewing Law regulating intermediaries. The concern of the insurance companies were unscrupulous brokers and insurance agents who controlled the market and companies follow them in their unprofessionalism to get business and this unethical behavior can only be addressed by the Regulator.

Finally, the respondents stated that since everything hinges on leadership, to counter the challenges of strategy implementation in private insurance companies in Rwanda, it is

crucial that management endeavors to foster leadership style that supports the strategy implementation. Moreover, the leaders and the entire team management have been encouraging coordination of activities; and endeavor to have an integrative point of view when formulating a strategy and that staff implementing strategy are capable enough and that strategy implementation took more time than expected. Evidently, there must be a clear assignment of responsibilities and that the involvement of everybody in the organization for strategy to work. In addition, communication should be well done throughout the process of implementing a strategy, and teamwork activities should also be emphasized.

4.6 Discussion

From the analysis, several issues were unearthed which warrant a brief discussion. Firstly, it was established that only a relatively small number (17%) have a positive attitude towards change, with the rest 83% resisting change. This corroborates Jumba's (2015) finding on Gateway Insurance in Kenya, where he discovered the majority of employees were against changes engendered by implementation of new strategic imperatives. However, this finding breaks with Mbugua and Ofunya (2014), who established that players in the Insurance sector were more likely to embrace change due to the fluidity of the financial services sector.

In addition, the findings discovered that lack of funding as a major challenge facing strategy in the private insurance sector in Rwanda. This is not surprising and agrees with previous research by Hilson and Simon (2012), who established that new ventures hinge

on adequacy of funds to implement the new strategy. While some scholars argue that attitude change is the true pivot for change, it would seem that nothing can really replace funding. Evidently, strategies will forever remain cupboards policy papers as long as enough funding is not availed for implementation.

Further, it seems that private insurance companies in Rwanda don't do much to motivate their employees, with 92% of the respondents saying that they don't give their exceptional employees financial rewards for exceptional performance that includes delivering on projects ahead of schedule. This presents a clear dereliction on the part of management, for as argued by Jackson, Scholes and Whittington (2004), motivated employees perform better in delivery on company goals and objectives. They are also more likely to own the company's strategy because they feel well remunerated and well appreciated.

Finally, lack of technical pricing and too many players in the market, leading to market saturation, were found to be some of the major problems facing the private insurance sector in Rwanda. This mirrors Jumba's (2015) study which established that gateway insurance in Kenya suffered from over competition, which in turn led to *ad hoc* prices being set up for insurance services. Accordingly, this led to chaos in the market, with consumers not knowing who to trust. However, other players have argued that market saturation is good since it necessitates thinking outside the box. In addition, it leads a firm to focus on strategies such as differentiation and focus strategy where a company focuses specific products on a specific stratum of society (Omsa, Ridwan & Jawadi, 2018).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

Here, the summary of the findings, conclusions and recommendations of this study are presented. Limitations in this research and suggestions for further study are also made here.

5.2 Summary of the Findings

This section presents a summary of the study findings in terms of main research objective, which was to establish the challenges of strategy implementation in private insurance sector in Rwanda. This was further broken down into two objectives: Establish the challenges facing Rwandan private Insurance sector in strategy Implementation and to establish how to address the challenges in strategy implementation in private insurance sector in Rwanda.

5.2.1 Challenges of Strategy Implementation in Private insurance Sector in Rwanda

The study established that while most of the staff and management (83%) have a clear understanding of the organization' strategy, only a few (17%) have a positive attitude towards change. The rest (83%) resist change. And this presents a clear difficulty in the implementation of new strategic imperatives. In addition, the study found out that private insurance companies seem to have a problem with communicating the strategy implementation process to their staff and management, since 42% said they did not

understand the strategy management process. 58% also denied that the strategy was communicated clearly to everybody in the organization. Further, in terms of implementing the strategy, there seems to be lack of finances to implement the strategy, with 83 % saying there is either no money to implement, or the money available just isn't enough. In addition, 67% of the respondents said that the staff were not well trained and did not possess enough skills to implement the strategy. Finally, despite the bottlenecks, the strategy implementation in insurance companies in Rwanda seem to be on course, with 74% of the respondents saying they were well motive to support and implement new strategy initiatives.

The research concluded that a dearth of training is a real bottleneck facing insurance companies in Rwanda, with 67% of the respondents saying that the implementers are not well trained. Lack of adequate funding is another challenge, with 52% of the respondents saying there was either no funding, or that what was available just wasn't enough to implement the strategy. In addition, another challenge is the leadership style not supporting the strategy implementation process, with 50 % saying the leadership style did not support the strategy implementation process. In addition, all the 12 respondents agreed that unpredicted, and therefore unplanned for factors negatively impacted the strategy implementation. Such factors include Covid-19 pandemic, new government policies, economic recession and judges' decisions going against them in court. Finally, there is lack of financial rewards to the best performers in the private insurance sector in Rwanda, since 92% of the respondents felt that there was lack of financial motivation from the management, even when employees executed the strategy and brought novel

ideas. Finally, respondents also cited fraud in claims management, lack of support from support from government and the regulator, too many players in a small market, high employee turnover and under-pricing perils as the other major challenges facing the insurance sector in Rwanda.

5.2.2 How Challenges in Strategy Implementation were addressed in Private insurance Sector in Rwanda

The study also sought to establish how the challenges in strategy implementation have been addressed in private insurance sector in Rwanda.

In terms of solutions, the 12 respondents said capacity building is a solution to scale up professional levels to help the private insurers avoid unprofessional ethical manners in the industry. This is supposed to be across all stakeholders in all the supply chain of insurance services whereby the market together with Insurers plan to educate insurance to the public. This will help to avoid unfair competition and bring sanity to the market by applying insurance policy wordings in accordance with insurance principles.

While discussing with the market and when asked how they have addressed their challenges in strategy implementation, almost everyone said that they have agreed to adopt technical pricing in their insurance products to bring the premium at a level which shall allow the insurers to pay the claims and fund the strategic initiatives. The statistics from the past years show that insurers have been making underwriting losses which means that technically, the pricing has not been adequate to the risks taken. There is a good progress that the market made in motor since 2018 when they adopted minimum

rates, and the market believe that if they can be able to have minimum rates in non motor classes of business, this can help to turnaround the market.

In addition, leadership style has been mentioned as a challenge and this is driven by performance contract signed by the CEO's with the Board but also most of the Executives do not have an insurance background. They sometimes come from other financial institutions such as banks and when offered a chance to turnaround some companies, they seem to be very ambitious and unrealistic in their strategy and being too promising to their Board which end up by not delivering and sometimes focus on the top lines by all means including undercutting/ underpricing the competitor and wait for claims in the future to hit them. Leaders should be given time to implement their strategy with a long-term vision rather than focusing on one-year performance evaluation. This will allow the leadership to have enough time to communicate the strategy and restructure the company which will also reduce resistance to change from employees.

The other solution to respond to the market saturation, is that the Regulator encourages mergers and acquisitions among players. In 2017, The National Bank of Rwanda, the Regulator of financial institutions has suspended to issue new licenses to insurance companies to streamline the industry and ensure financial stability and soundness of the insurance industry. They encourage the players to merge where necessary and if there is any investors interested, it is advised to acquire the existing companies. This would help mitigate the challenges arising from many players in a small market faced by private insurance companies in Rwanda.

5.3 Conclusions

Overall, private insurance companies in Rwanda were found to be ill prepared to implement their organizations' strategy. 67% of the respondents said that the staff were not well trained and did not possess enough skills to implement the strategy, while 58% also denied that the strategy was communicated clearly to everybody in the organization. In addition, with 83 % saying there is either no money to implement, or the money available just isn't enough and this is due to low pricing of insurance products. Accordingly, this points to lack of preparedness in terms of implementing the real strategy.

In addition, the study concludes that the major challenges facing private insurance companies in Rwanda include lack of professional trainings, underfunding, fraud in claims management, lack of support from government and the regulator in terms of fixing minimum wage which have a great impact in determining the indemnity to claimants in bodily injury claims, too many players in a small market, high employee turnover due to scarcity of professionalism in insurance and under-pricing of risks which make the funds to invest and support the strategic initiatives unavailable .

Further, the study concludes that scaling up professional levels, adoption of technical pricing, mergers and acquisitions, and addressing the issue of leadership style and adopt communication as company culture to avoid resistance to change would help mitigate the challenges in strategy implementation faced by private insurance companies in Rwanda.

5.4 Recommendations

From the study findings and conclusions, the study made several recommendations. Private Insurance companies in Rwanda should ensure that the management apprises every employee with the strategy so that employees own the strategy and the process. This can be done by ensuring proper and effective communication from top down and vice-versa to ensure 360 degrees feedback in the strategy implementation.

The management should ensure that resources and funding are available for the implementation of the strategy. The budget of insurance companies is fully funded by the sales turnover considered in technical term as Gross Written Premium. Due to undercutting of premium rates, the company ends up by in some instances making a negative growth when it has even renewed the policies in the existing portfolio. Therefore, this has impact to cut off the budget to fund some of the strategy initiatives. The only way to address this challenge is to have an actuarial rate reasonable to cover the risk. The study hence recommends the market to have minimum rates which can enable companies to make underwriting profit and fund their strategic activities.

Moreover, this study recommends digitalization of services to so that services are available at the touch of a button, wherever, whenever, at the customers convenience. Adoption of social media platforms for marketing and show casing products should also assist in cutting acquisition cost, reducing fraud in claims and go further to serve more clients and help the insurers to embrace micro insurance hence increase insurance penetration.

In addition, since a considerable number of respondents cited a dearth of skills and lack of training, the study recommends frequent trainings and benchmarking to help bridge the skills gap. Benchmarking and training will help in the transfer of much needed skills. The market together with the Government need to ensure there is a school of insurance which can professionally train and certify the insurance personnel. The Regulator need to enforce minimum level of professional requirements in certain key management positions.

Further, the study found out that unexpected factors like pandemic have really affected the strategy implementation as when the Government imposed lockdowns and other measures to fight Covid-19, companies were not prepared and like other sector they have been hit badly. The study recommends the companies to review their business continuity plan as a response to pandemics and natural catastrophe to avoid their business collapsing overnight.

Finally, the Rwanda government should demerge insurance supervision from banking and have each operate as a separate entity. When you look at all other countries in the Region, Burundi, Uganda, Tanzania, Kenya, and recently Republic Democratic of Congo, they have a separate entity to regulate insurance industry. The study recommends that if Rwanda can benchmark from the neighbors and have a separate Insurance Regulatory Authority to focus on insurance Sector, this can help to focus and deal on regular basis with all the challenges affecting the industry such as stabilize prices of insurance products, fight conmen, increase insurance awareness and predict future sector dynamics.

5.5 Limitations of the Study

Limitations are the constraints or drawbacks, that a study cannot control (Orodho, 2004). They make it difficult to apply the research conclusions. This study was limited in the following ways: Firstly, the scope and depth of the study was limited by the limited amount of time, since one has a specified time period to complete a master's degree. In addition, the researcher was constrained financially. Further, the respondents were all senior managers of insurance companies who naturally loathe opening up and sharing perceived weaknesses in their strategies since, one, this could be perceived as criticizing their organizations, and two, sharing strengths could amount to sharing their organizations' secrets, which in a small market fraught with steep competition, could amount to financial suicide. In addition, data was collected through phone call interviews because of Covid 19 protection measures, physical meetings were not possible and discouraged in accordance with Ministry of Health protection measures of Covi-19. Finally, the study focused only on private insurance companies in Rwanda. Accordingly, the results may not apply to all insurance companies.

5.6 Areas for further research

Since this research majored on private insurance companies in Rwanda, the results may not apply to all insurance companies. Accordingly, this study recommends that a study is done cutting across all insurance companies including public ones since this would allow for broader applicability of the research conclusions. In addition, a similar study should

be carried in a different country with different policies and different demographics. This would allow scholars a useful comparison of findings.

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APPENDECES:

Appendix 1: INTERVIEW GUIDE

Part A: Details of the Respondent

- 1. Respondent name:
- 2. Sex and age :
- 3. Company and Position held:
- 4. Level of education and Number of years in the position

Part B: Strategy Implementation

- 5. Does the Staff and the management have a clear understanding of the organization' strategy?.....
- 6. Is the strategy communicated to everyone in the organisation?.....
- 7. Does the staff and management understand the strategy implementation process?.....
- 8. Does the organisation has resources (human and capital) to implement the strategy?.....
- 9. Are employees motivated to support and implement strategy initiatives?.....
- 10. Are the staff well equipped and have enough skills to implement the strategy?.....
- 11. What is the attitude of the staff and management to change?.....
- 12. Any other comment about your organisation's strategy implementation?.....

Part C: Challenges of Strategy Implementation

- 13. Are the strategy implementers adequately trained?.....
- 14. Are the strategy implementers well versed with the strategy?.....
- 15. Are financial resources provided adequately to execute departmental activities?.....

16. Does the management leadership style support the strategy implementation?.....

17. In your own opinion, do you think, your organization structure supports the strategy implementation?.....
18. Does the information system support your strategy implementation?.....
19. Are there some unpredicted external factors that had adverse impact in your strategy implementation process?.....if Yes List them.....
20. Are key tasks and activities well defined and do they have timelines?.....
21. Did the key champions or supporters of strategy leave the company during the implementation?.....

22. Has there been lack of ownership of strategy among employees?.....
23. Are people rewarded for well executed plan or innovation? ideas?.....
24. In general, what challenges have you encountered when implementing your organization's strategy?.....
25. How did the company address the challenges?.....

Thank you!

Appendix 2: SUPERVISION ALLOCATION FORM

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS MASTERS PROGRAMME
MBA PROPOSAL/PROJECT SUPERVISION ALLOCATION FORM

SECTION A: (To be completed by the student)

Name of student: HAKIZIMANA JEAN PERRE Reg. No.: D61/88271/2016
 Department: S. BUSINESS STRATEGIC MANAGEMENT

Specialization (Tick as appropriate)

<input type="checkbox"/>	i) Marketing
<input type="checkbox"/>	ii) Human Resource Management
<input type="checkbox"/>	iii) Strategic Management
<input type="checkbox"/>	iv) International Business
<input checked="" type="checkbox"/>	v) Insurance/Risk Management
<input checked="" type="checkbox"/>	vi) Entrepreneurship
<input checked="" type="checkbox"/>	vii) Finance
<input checked="" type="checkbox"/>	viii) Accounting
<input checked="" type="checkbox"/>	ix) Operations Management
<input checked="" type="checkbox"/>	x) Management Information Systems
<input checked="" type="checkbox"/>	xi) Procurement & Supply Chain Management

Mobile phone: 0729 262 393 Email: hapeter10@gmail.com

Proposed Title of Study: "CHALLENGES IN STRATEGIC IMPLEMENTATION IN PRIVATE INSURANCE SECTOR IN RWANDA"

Name of Preferred Supervisor(s): (i) Prof. Martin Oguti (ii) Dr. Kennedy Ogoloh (iii) Prof. Key Kinoti

Signature of student: [Signature] Date: 15/07/2019

SECTION B: (For Official Use only. To be completed by the Department)

i) Name of Supervisor Allocated: Prof. Aosa Mobile No.: 0722 518872
 Co-Supervisor (if any): _____ Mobile No.: _____
 Moderator: Prof. M. Oguti Mobile No.: _____

Proposal Presentation/Submission Dates:
 Proposal Presentation: _____ Oral Defence: _____ Project Report Submission Date: _____

ii) Approved by Thematic Coordinators:
 Name: _____ Signature: _____ Date: _____

Approved by Chairman of Department:
 Name: DR. Winnie Wanjau Signature: [Signature] Date: 17/7/2019

NOTE:
 1. A student shall not commence proposal writing before allocation of University supervisor.
 2. Original Transcript, Fees Statement and Synopsis should be attached to this form. This form is available in the Department, SOB website or Ambank House. Students get their copy later from the Department after allocation is done.
 3. The approved copy of this form must be attached to the proposal when submitting for moderation and presentation and when submitting the final project.
 4. Original to be filed in the Department.
 5. Turn-in report MUST be attached to the proposal when submitting for moderation, presentation and when submitting the final project.
 6. Each student MUST fill in the attached declaration regarding plagiarism and collusion.

Appendix 3: UNIVERSITY OF NAIROBI INTRODUCTION LETTER



UNIVERSITY OF NAIROBI
COLLEGE OF HUMANITIES AND SOCIAL SCIENCES
SCHOOL OF BUSINESS

Telephone: 020-8095398
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsities
Our Ref: D61/88271/2016

Tel: 020 8095398
Nairobi, Kenya

Date: 30th September, 2020


TO WHOM IT MAY CONCERN

The bearer of this letter, **Jean P. Hakizimana** of Registration Number **D61/88271/2016** is a Master of Business Administration (MBA) student of the University of Nairobi.

He is required to submit as part of his coursework assessment a research project report. We would like the student to do his project on **challenges of strategy implementation in private insurance sector in Rwanda**. We would, therefore, appreciate if you assist him by allowing him to collect data within your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organization on request.

Thank you.


PHILIP NGIGI
FOR: DEAN, SCHOOL OF BUSINESS

