KNOWLEDGE MANAGEMENT CAPABILITIES AND PERFORMANCE OF INSURANCE FIRMS IN KENYA

MWAMBINGU KELVIN

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, FACULTY OF BUSINESS AND MANAGEMENT SCIENCES, UNIVERSITY OF NAIROBI

2023

DECLARATION

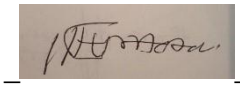
This research project is my original work which has never been presented for any other award at any other university.

Sign_  __ Date___11-Dec-2023_

MWAMBINGU KELVIN

D61/89113/2016

This research project has been submitted for presentation with my approval as the University Supervisor.

Signed: _  _____Date: __11/12/2023_____

PROF. EVANS AOSA

DEPARTMENT OF BUSINESS ADMINISTRATION

FACULTY OF BUSINESS AND MANAGEMENT SCIENCES

UNIVERSITY OF NAIROBI

DEDICATION

This research project is dedicated to my loving family members, my parents and especially my sister, Ruth whose constant encouragement, social, emotional, and holistic support aided my studies and completion of this project and lastly to my friends whom I regard highly.

ACKNOWLEDGEMENT

This work was completed successfully through the support from different persons to who I am greatly indebted. First of all, I give honor and glory to Almighty God for it is by His grace that I was in a position to pursue and complete my studies.

I extend my gratitude to Prof. Evans Aosa, my supervisor for modeling this research, his availability, consistency and guidance as well as insightful reviews and encouragement. I thank also my entire family, friends and colleagues for their irreplaceable support, understanding and encouragement that they rendered to me.

TABLE OF CONTENTS

LIST OF TABLES

ABBREVIATIONS AND ACRONYMS

BSC	Balanced Score Card
CSR	Corporate Social Responsibility
GDP	Gross Domestic Product
ICT	Information Communication Technology
KeNHA	Kenya National Highway Authority
KM	Knowledge Management
KMC	Knowledge Management Capabilities
LAR	Longitudinal Action Research
RBT	Resource Based Theory
ROA	Return on Assets
ROCE	Return on Capital Employed
SECI	Socialization, Externalization, Combination, Internalization
SMEs	Small and Medium sized Enterprises
VRIN	Valuable, Rare, Imitable, Non-substitutable

ABSTRACT

The motivation behind this research lies in the pivotal role that effective knowledge management plays in enhancing organizational performance, particularly in industries characterized by information-intensive processes. Recognizing the dynamic and competitive landscape of the Kenyan insurance sector, the study aims to contribute empirical insights that could inform strategic decision-making and policy formulation within the industry. Employing a cross-sectional research design, the study targets the population of 54 insurance firms in Kenya, focusing on the heads of human resources as the primary respondents. The study utilizes a 5-point Likert scale questionnaire to collect primary data, ensuring a comprehensive exploration of the perceptions of human resource managers regarding knowledge management practices within their organizations. The robustness of the study is further enhanced by employing descriptive, correlation, and regression analyses as data analysis techniques. The regression analysis, incorporating knowledge acquisition, application, transfer, and protection as predictors, unveils a highly explanatory model. Knowledge protection emerges as the most influential factor, followed by knowledge acquisition, application, and transfer. The model explains approximately 93.6% of the variance in organizational performance, underscoring the collective impact of these knowledge management dimensions. In conclusion, the study affirms the critical role of knowledge management in shaping the performance outcomes of insurance firms in Kenya. The findings provide actionable insights for policymakers and practitioners, emphasizing the need for a comprehensive and integrated approach to knowledge management. Recommendations include fostering a knowledge-friendly organizational culture, prioritizing the effective application of acquired knowledge, strategically integrating knowledge transfer practices, and robustly protecting intellectual assets. The study concludes with a call for further research to explore longitudinal dynamics, incorporate diverse stakeholders, conduct cross-industry comparisons, and investigate the influence of emerging technologies on knowledge management within the insurance sector.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Knowledge Management (KM) has evolved over the previous decade to become a critical tactical requirement for businesses' performance in local, regional, and worldwide markets (Sarkindaji, Hashim & Abdullateef, 2016). Knowledge management is now one of the primary areas whereby firms have gained an advantage in driving performance through improving how they acquire new knowledge skills, apply it, transfer it, and prevent it from being acquired by their competitors (Hislop, Bosua & Helms, 2018). Organizations are facing a challenge on how they can capitalize on their knowledge and create revenues by designing and implementing knowledge management-based activities. This is because a lot of the knowledge gained in their operations, is generally left unexplored, and it denies organizations the ability to create value from this knowledge. As a result of the need to improve their performance, organizations have adopted knowledge management capabilities to improve their performance and remain competitive, (Bharadwaj, Chauhan & Raman, 2015). Ibrahim and Reid (2009) argue that knowledge management practices can improve an organization's performance by streamlining operational activities by creating efficiencies and cost reductions in enhancing quality. This is compounded further through sharing of knowledge and best practices within the organization. Employees share their knowledge when valued for their intellectual abilities and when they see the value of their contribution to the firm (Khalifa & Liu, 2003).

This research was anchored on the Resource Based Theory (RBT) by Barney (1991), and supported by institutional theory drawn from the work of Berger and Luckmann (1967). The

RBT theory was relevant to this investigation since it provides information on how to maximize the output of an organization's core capabilities. As a result, this theory supports the study's first research objective, knowledge acquisition. The theory was also appropriate to the research since it clarified in what way to put acquired knowledge and capacities to work for the organization's benefit. The institutional theory focuses on how practices in organizations were influenced by the organizations operating environment (Berger & Luckmann, 1967; Zucker, 1987; Scott, 2008; Gaughan, 2018). The theory examines the development, transmission or transfer and adoption of practices in an organization and the influences on these processes. This theory supports the various processes of knowledge managements of creating, sharing and effectively applying knowledge to the operations of the organization.

The insurance sector in Kenya is one of the quickest in growth in Africa, yet it faces fierce competition (IRA, 2019). Over the years, the number of insurance and re-insurance companies has steadily increased, increasing competition in the market. The need for better services at reduced prices has increased along with the customers' awareness. Banks and other businesses have entered the market to provide services that were previously only available from insurance companies. Firm managers must investigate strategies for improving performance in such a dynamic market. Given the level of competition, knowledge management may therefore be a preferable strategy for insurance companies to implement in an effort to improve performance.

1.1.1 Concept of Knowledge Management Capabilities

Knowledge Management Capabilities (KMC) are often viewed as multidisciplinary and multi-dimension concepts that have given rise to many definitions. Abuaddous, Al Sokkar and Abualodous (2018) assert that knowledge management is the procedure of attaining, disseminating, and efficiently applying knowledge in the firm operations. Couple of years later,

the Gartner Group progressed another version of KM definition that is frequently cited, thus that KM is a subject that enhances an integrated dimension to identify, capture, evaluate, retrieve, and distribute all information relating to assets of an enterprise. The information will constitute procedures, databases, policies, documents, and earlier un-captured experience and expertise in each and every worker (Matin & Sabagh, 2015). On their part, Gareth and White (2017) posit that knowledge administration relates to operations involving activities such as identification, acquisition, distribution and application of knowledge with the aim of enhancing the state of cost-effective measures that fosters achievement of business objective. Huang (2015) posits that knowledge management capability is the ability of organizing and utilizing KM-based assets in regards to other resources possessed by the firm.

From these definitions, knowledge management capabilities can be considered as the procedure in which performance of organizations is enhanced via better organization of corporate knowledge by all available information essential for making corporate policies. Saini (2016) highlight that for a firm to achieve long-term competitiveness; it needs to use the available knowledge, such as innovation, to sustain the foundations of distinctive activities. Amah (2016) add that efficient KMC enhances the advancement of customs and competence, provided that the company is capacitated to acquire various resources, there is still an urgency of an efficient KMC that will exploit these resources economically

Dayan, Heisig and Matos (2017) offer an exhaustive KM capabilities measurements model in the sight of capability of a firm. As per their research, an organization KM encompasses of two significant mechanisms: knowledge management process capabilities as well as knowledge management infrastructure capabilities. Infrastructure capabilities constitute culture, technology as well as structure, while process capabilities encompass acquisition of information, application,

transfer and protection. These components are prerequisites for an effective KM and are essential organizational competences.

1.1.2 Concept of Organization Performance

As described by Huang (2018) performance is achievement of goals which an entity intends to attain. It involves a firm's potential in achieving its set goals by utilizing the available resources optimally (Daft & Marcic, 2013). As opined by Bharadwaj, Chauhan and Raman (2015) a firm's performance entails a complex correlation of seven criteria: profitability, reliability, quality of work, productivity, effectiveness, efficiency including creativity. Therefore, performance is closely associated with achievement of the entire seven criteria that are regarded as performance goals. In spite of performance having no commonly agreed upon meaning, a firm should have objectives including a way of measuring the entire results basing on the outlined agendas.

Organization performance is very significant since it assists in measuring institutional efficiency, firm competency along with the productivity. Also, it is considered as a determination for efficiency including effectiveness of resources which have been utilized in production of output or products of the preferred type by customers plus society in the long run (Bain, 2016). Company performance aids in revealing the organization's profitability which is determined using income as well as expense. Business managers have a very important duty of enhancing the performance of the company since enterprise survival is dependent on its profitability (Chakravarthy, 2016). Moreover, firm performance reveals how an enterprise is fairing in its methods of attaining objectives, mission as well as vision (Eisenhardt & Schoonhoven, 2018).

In regards to operationalization, financial as well as non-financial measures being made use of (Chakravarthy, 2016). The Balanced Scorecard (BSC) which was founded by Kaplan and Norton (1992) have previously been frequently lied upon by scholars in examining the performance.

BSC generates success measurements basing on the company's goal, strategy besides vision. It is a measure for evaluating the company's general performance. It incorporates the customer factor, financial factor, internal processes also learning and development (Kaplan & Norton, 1992). Due to balance scorecard's wide recognition as a performance measure, it was applied in this study.

1.1.3 Insurance Firms in Kenya

The Kenyan insurance industry is governed by the Insurance Act (Cap. 487 of the Laws of Kenya), and it is enforced by the Insurance Regulatory Authority (IRA). A wide range of industry participants, which include insurance service providers (risk managers, surveyors, investigators, loss assessors, and claims settling agents), insurance intermediaries (agents, medical insurance providers, brokers), reinsurance businesses, and insurance companies are all subject to IRA licensing and regulation. 59 licensed insurance underwriters, comprising 54 insurance firms and 5 reinsurance firms, presently comprise Kenya's insurance industry. According to the IRA's 2019 Annual Report, there are 25 general (non-life) insurance underwriters, 18 long-term (life) insurance underwriters, and 11 composite insurers.

Overall earnings before taxes decreased from Kshs. 14.1 billion in 2018 and 2019 to Kshs. 12.8 billion in 2020, based on the 2020 year-end report. This suggests that 2.7% of GDP is contributed by insurance companies. Additionally, due to a persistent financial downturn, BlueShield Insurance Companies was recently transferred into the statutory management. Similar to this, Britam acquired Real Insurance Company due to its present and future viability. Other insurance companies that are no longer in operation include Access Insurance Company, Kenya National Assurance Company, and Standard Assurance, in addition to Concord Insurance Company. The performance of insurance businesses in Kenya is predicted to be improved via knowledge management.

1.2 Research Problem

Knowledge management enables the creation and transfer of knowledge effectively which is critical in the organization's operations (Reich, Gemino & Sauer,2014). An organization needs to ensure that it is practicing sound knowledge management practices and avails its knowledge to all its employees for the knowledge to be useful in helping it achieve its objectives (Khuram, 2016). There have been findings that information management capabilities for instance information attainment, information usage, information transfer and information protections are key in enhancing the performance of organizations. Using the KMC, organizations have been found to improve in terms of innovativeness, effectiveness, enhanced competitiveness, performance and developing of new products into the market (Fraihat & Samadi, 2017). Knowledge management has become one of the major areas where organizations have taken competitive advantage over their rivals on how they acquire new knowledge capabilities, how they apply it, how they transfer it and how they protect it from being acquired by their rivals to their advantage (Hislop, Bosua & Helms, 2018)

Insurance firms are having challenges in adopting effective knowledge management capabilities as evidenced by a study done by Ondari and Minishi (2017) who found that only 17% had effective knowledge management capabilities while 83% had either not implemented knowledge management capabilities or they were ineffective. Organization culture was identified as the main challenge facing implementation of knowledge management capabilities in these firms. Research by Beauchamp and Bowie (2010) on knowledge management capabilities influence on performance of insurance organizations revealed that knowledge management capabilities helps the firms enhance timeliness, reduce operating costs, enhance quality of services and flexibility in providing services.

Empirically, in research done in Nigeria, Sarkindaji et al. (2016) acknowledged information management competences like acquisition and application of information were inducing mobile telecommunication companies' performance. Chiu and Chen (2016) resolved organizational dynamic capabilities such as information application, information transfer and information safeguard had an advanced impact on the Taiwanese public utility financial operations. In Kenya, Mtawali and Kiiru (2018) conclusion information management capabilities such as information gaining, information application, information transfer and information safeguard had a statistical substantial impact on microfinance functioning in Kenya, Uwezo microfinance bank case study. Karani (2015), considered the effect of knowledge management practices on organizational performance in mobile telephone companies in Kenya. Kaboro (2012) centered his study on the knowledge management in public sector organizations in Kenya. The researches studies failed to apply information management capabilities on performance of insurance organizations.

A review of previous studies shows that there was a need to focus on KMC and organization performance. Previous research, for example, have mostly concentrated on other segments like telecommunications as well as banking, needing further research in areas like insurance. Insurance firms in Kenya have adopted knowledge management and therefore need to investigate whether adoption of this has translated to enhanced performance. The aim of the current study was to fill this knowledge gap by answering the research question; how does knowledge management capabilities influence the performance of insurance firms in Kenya?

1.3 Research Objective

The objective of this research was to ascertain the effect of knowledge management on the performance of insurance firms in Kenya.

1.4 Value of the Study

The results of this research will contribute to theory development as well as knowledge on learning. By establishing how knowledge management capabilities influence performance of firms, the conclusion of this research will either support or negate the theories the study is founded on namely resource-based view theory, organizational knowledge theory and adaptation structuration theory.

Policy makers such as Insurance Regulatory authorities in Kenya and around the world will use these studies to establish knowledge management practices to champion within the insurance sectors and use some of the recommendations to develop a raft of measures that will strengthen strategies to improve trust within the insurance sector by various stakeholders. They will also develop policies guiding firms on knowledge management.

The findings of this study will be very helpful in informing management on the magnitude that knowledge management capabilities influence performance in their respective organizations. To this end, they will seek to ensure that the most effective tools to knowledge management are put into place to track knowledge management plans implementation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The segment offers an analysis of the works from scholars on knowledge management capabilities and performance. To begin with, the section analyses theories on knowledge management capabilities followed by a discussion on both performance and knowledge management capabilities and then discuss other studies on the topic. A critique of the investigations is carried out, and research gaps are recognized.

2.2 Theoretical Foundation

A theory aids in the explanation of a theoretical fact regarding a topic (Zikmund, Quinlan, Griffin, Babin & Carr, 2019). This section covers the theory that explain the relationship between knowledge management and organizational performance. This research is anchored on the resource-based view theory and supported by institutional theory.

2.2.1 Resource Based Theory

Barney (1991) pioneered the resource-based theory which was an advancement of the theory of the firm developed by Penrose (1959) and later advanced by Wernerfelt (1984). This theory proposes that an organization should seek to make the most of its existing resources. The physical, human, and organizational resources that a company has that may be used to understand and implement tactics are referred to as capabilities (Ketchen, Barney & Wright, 2011). To be valuable, an organization's resources must have four distinct characteristics: Valuable, Rare, Imitable, and Non-subtitutable (VRIN) (Barney, 1991).

These traits enable an organization's resources to provide it with a competitive advantage over its competitors. In this context, valuable means that the resources can add value to the company and hence provide a competitive advantage. In this case, rare indicates that the resources must develop a unique strategy to gain a competitive advantage over the competition. To get a competitive advantage, the resource must not be present with the opponent. In this case, inimitable means that competitors must be unable to get a resource in order for it to be a competitive edge source. The term non-substitutable resource refers to a resource that cannot be substituted by a strategically comparable valuable resource (Barney, 1991). The RBV theory is relevant to this investigation since it provides information on how to maximize the output of an organization's core competences. As a result, this theory supports the study's first research objective, knowledge acquisition.

2.2.2 Institutional Theory

Berger and Luckmann (1967) pioneered this theory. An institution has been defined as a social structure that exerts pressure or expectations on organizations' decisions (Lin et al., 2020). Institutional Theory has three theoretical foundations; cognitive, normative and regulative which are appropriate for studies looking at the institutionalization of processes in an organization (Scott, 2013; Scott,2014; Greenwood et al.,2017) The theory has two main versions referred to as *new* also known as the neo-institutional theory (Currie,2009), and the *old* institutional theory. The neo-institutional theory was important in 0izing the factors that influence the institutionalization of processes and strategies in Knowledge Management including plans, processes and practices (Currie, 2009; Hirst, 2010). The old version examined processes by which practices in organizations were influenced by what is taking place in the environment and how these practices evolved into a pattern (Berger & Luckmann, 1967).

It is argued that organizations have a reproducible pattern of activities adopted because of pressures in the external environment (Berger & Luckmann, 1967) through habitualization. Through repetition these practices are objectified and become rule-like or habits thus they are easily retained in the organization (Berger & Luckmann, 1967). These practices once they have flowed through these two processes, they acquire continuity in the organization through sedimentation. Drawing on these concepts as advanced by Berger and Luckmann (1967), organizations can institutionalize knowledge management practices by perpetuating such actions in the organization over time. This is further improved by organizations reviewing and adopting exemplified and habitual actions from other organizations (Tolbert& Zucker,1999). Thus institutionalization can be referred to a sequential process of habitualization, objectification and sedimentation processes whereby each phase is influenced by forces and pressures exerted on the organization internally and externally.

The institutional theory approach was relevant in explanation of insurance firms' ability in creating, adopting and operationalizing knowledge management practices and also ensuring that these practices are part of the organizations processes. Insurance companies are increasingly facing pressures at the macro and micro level affecting their performance. Any insurance company is well placed to use institutional theory to examine how it develops, adopts and institutionalizes knowledge management practices competitiveness in the pursuit of the noble mandate entrenched in what it takes to be an insurance company.

2.3 Knowledge Management Capabilities and Performance

Numerous surveys have been undertaken to assess knowledge management capabilities result on the enterprises' outcome. There have been findings that information management capabilities for instance information attainment, information usage, information transfer and information

protections are key in enhancing the performance of organizations. Using the KMC, organizations have been found to improve in terms of innovativeness, effectiveness, enhanced competiveness and developing of new products into the market (Fraihat & Samadi, 2017). These capabilities enhance performance.

As per Papa et al. (2018), as the requirement for enterprises to participate in open inventions grows, organizations are high probability to face strains and opportunities, yielding a shift in human resource management. When new knowledge is discovered from outside the business, it must be shared within the organization to raise awareness among the crucial employees. Huang (2018) points out that acquiring knowledge might be a key step toward being competitive in a crowded industry. Following the acquisition of knowledge, it must be categorised and transferred to other divisions within the firm, where it will be utilized to offer a financial benefit for the company (Sarkindaji *et. al.,* 2016).

As proven by inventions and the development of new goods, knowledge application stimulates data to develop value in the firm (Wakhu & Bett, 2019). As per Gareth and White (2017), an organization will succeed in establishing an economic advantage over a specific time frame if it develops knowledge with the less effort and at a fast speed comparison to its competitors, and then uses it brilliantly and efficiently. New ideas occur as a result of the application of knowledge. An enterprise can build additional capacity through innovation, giving it a competitive advantage over its market competitors. The many designs, establishments or formations that a firm will develop whenever it uses the new knowledge that it has learned to its benefit are known as new creations (Wakhu & Bett, 2019).

Interaction between people of diverse departments of the company and learning from one another is a reliable way to transfer knowledge inside the organization. It's also the most cost-

effective technique to ensure that information is well-transferred inside the company. Knowledge transfer will occur within the company and between the two departments as a result of the partnership of different divisions (Bharadwaj *et al.,* 2015). Through benchmarking with other firms,companies can transfer knowledge where new methods and operating processes are learned and implemented in order to enhance efficiency (Chiu & Chen, 2016).

Knowledge safeguarding entails ensuring that acquired information is kept safe within the company and is not discarded or lost (Estrada *et al.,* 2016). The data protection process is significant in an organization for the goal of enhancing functioning as well as crucial business controls, that often includes copyrights and patents utilization, with the system of information technology allowing operators to access their practice's rights via file names, user names, passwords, and shared procedures (Matin & Sabagh, 2015).

Whereas it can be argued that information acquisition has a major inspiration on enterprise's operation, consensus among researchers is lacking. It is therefore expected that this will continue to attract the attention of scholars because of the paramount importance played by knowledge acquisition on shaping the competitive edge of organizations. It can therefore be postulated that information acquisition has a progressive bearing on running of establishments. Difference in viewpoints broadens the variety available literature and inspire diversity in understanding of a subject. Thus, organizations are able to effectively implement a plan that will enable them to use knowledge, enhance competitiveness, and ultimately influencing performance. Thus, knowledge application affects how well organizations function.

In Malaysia, Hanif, Bahauddin and Abdul Hamid (2018) accomplished an examination to discover the consequence of information transfer and entrepreneurial orientation on the working of organizations. The researchers embraced a descriptive research design to describe the

association amongst information transfer and working of organizations. First-hand information was used for the study where to gather first-hand information, research enquiry forms were used. It was established that both knowledge transfers and entrepreneurship orientation had a progressive inspiration on operation of banks in Malaysia.

In United Kingdom (UK), Gareth and White (2017) researched on how Pmapping can be made use of in knowledge acquisition and how this shaped the functioning of organizations in UK. The enquiry embraced a longitudinal action research (LAR) where three organizations were engaged in a mapping to enable business process enhancement. The researchers used questionnaires to assemble first-hand information, which was scrutinized for descriptive statistics. The enquiry realized that knowledge acquisition had a substantial impact on the functioning of work-based activities in the United Kingdom.

In Kenya, a study on knowledge management capacities was undertaken by Ngahu and Mbugua, (2017). The theme of the examination was to discover the consequences of information management acquisition on the working of financial establishments in Kenya. The enquiry assumed a descriptive research strategy. The focus populace of the enquiry was 22 commercial banks in Kenya. Sample was selected from supervisors in the Administration, Operations and Human resource department in the selected twenty-two commercial banks. It was discovered that information acquisition had a progressive inspiration on financial operations in Kenya.

Gachungi and Mugambi (2017) explored the aspect of knowledge application on the use of information and communication technology (ICT) and its effect on the performance of Kenya National Highway Authority (KeNHA). The researchers embraced a descriptive research design. The investigation determined that electronic communication possessed substantial influence on how KeNHA operated.

In Nigeria, Amah (2016) undertook research to ascertain the consequences of knowledge acquisition on the operations of manufacturing industry. The target population was respondents selected from thirty-two industrial companies in Rivers State. Enquiry forms were used to assemble first-hand information where the focus populace was managers from the industrial companies, which are registered with the Nigerian Manufacturers Association. It was determined that there was a significant link between the industrial facilities operations in the Rivers State of Nigeria and ongoing knowledge acquisition.

In Iran, Matin and Sabagh (2015) executed an enquiry on the outcome of information application on the operations of export businesses. The researchers embraced a descriptive research design. The focus populace was 252 high-ranking managers. Morgan Table was used to choose the sample where a sample of 148 was selected. It was determined that information applications influenced the activities of Iranian export enterprises.

In Jordan, Olaima, AL-ameryeen and Al-Makhadmah (2015) undertook a study to conclude how transfer of information affected the operations of service companies in Jordan. First-hand information was used for the study, which was assembled by aid of enquiry forms. Information transfer was proven to have a positive influence on organizational functioning.

Kinyua, Muathe and Kilika (2015) studied the motivation of information transfer on operations of commercial banks in Kenya. This exploration assumed both first hand and secondary statistics for exploration. Primary data was assembled by aid of questionnaires. Secondary information was collected by aid of secondary data collection sheet. It was recognized that information transfer and information application had a progressive inspiration on the Kenyan commercial banks operations and that the administration of commercial banks ought to inspire collaboration amongst staffs and customer to facilitate knowledge transfer. In order for an institute to have a

competitive advantage in the market, knowledge transfer is crucial. Therefore, it may be contended that information flow affects how organizations operate in Kenya.

2.4 Summary of Literature Review and Knowledge Gaps

The literature review identified contextual, conceptual, and methodological research gaps that this study seeks to fill. Studies amongst developing countries seem to be flimsy and in precise Kenyan insurance companies. Due to the importance of this gap, this investigation attempted to determine in what manner knowledge management capabilities affect the performance of Kenyan insurance companies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology explains the systematic procedures used to produce results that can successfully address the research objectives and its intended research questions. In relation to this, thus, this chapter covers the research design which guides the research. Others include target population, sampling procedure, data collection instrument and procedure, and lastly the data analysis and presentation of results.

3.2 Research Design

The research made use of descriptive survey as its research design. This was on the basis of the claim that the current research purposes in provision of detailed description of the knowledge management capabilities that influence insurance firms' performance. A descriptive survey design and a quantitative method were both used in the study. This was supported by the assertion that the research's primary objective was to gather quantitative data via a structured questionnaire in conjunction with every study feature that describes the performance of insurance firms. A quantitative technique can be converted into an inferential approach, according to Burns and Burns (2008), which enables inferences regarding correlations in a specific population. In research, surveys are used to describe the various characteristics of sizable or large populations. They offer high reliability by presenting the subjects with a standardized stimulus which ensures that observer subjectivity is greatly reduced (Mugenda & Mugenda,1999).

3.3 Population of Study

Population refers to anything observed from a group of various forms of concern (Burns & Burns, 2008). The target population for this study was the 54 Kenyan insurance businesses with a balance sheet as of December 31, 2022. Due to the limited population, the research was a census. This technique targets a particular group study of organization, community, or some other clearly defined relatively limited group(Patton,1990)

3.4 Data Collection

The nature of data to be collected influences the research instruments utilized. The participants were requested to fill out a questionnaire in attempts to gather primary data. The primary data was crucial in conveying the actual scenario of the dependent as well as independent variables' connection. The questionnaire use was justifiable due to low-cost, effective, and efficient technique of acquiring data in a short amount of time.

The questions were planned to be closed-ended. The questionnaires were given to the head of human resource in each insurance firm giving a total of 54 respondents. The questions were separated into two sections: the first contains demographic information on the participants, and the second contains the study's research questions. A Likert scale of five-point was utilized to answer the closed-ended questions. The scale allowed respondents to give their thoughts on a scale of 1 to 5 on a scale.

3.5 Data Analysis

The accuracy of the data was verified, and variables with incomplete or missing data were eliminated. Cases that have more than 20% of their responses missing were not included in the analysis. Outliers were removed from the data in order to protect the validity and reliability of study findings. Data was analyzed via Statistical Package for Social Sciences (SPSS) software,

version 27. Exploration of descriptive as well as inferential statistics was part of the data analysis process. The former consisted of distributional measures like frequencies and percentages. Inferential statistics were computed using Pearson's correlation, and multiple regression analyses were conducted to determine the influence of independent factors on the dependent variable. The findings of the analysis were provided in tables with relevant interpretations and discussions. The empirical model below was used.

$$\mathbf{Y=\beta_0 + \beta_1X_1+ \beta_2X_2+ \beta_3X_3+ \beta_4X_4+\varepsilon}$$

Where:

Y represents 'performance'

$\mathbf{B_0}$ represents 'Constant'

$\mathbf{X_1}$ represents 'knowledge acquisition'

$\mathbf{X_2}$ represents 'knowledge application'

$\mathbf{X_3}$ represents 'knowledge transfer'

$\mathbf{X_4}$ represents 'knowledge protection'

$\boldsymbol{\varepsilon}$ represents 'Error Term'

$\boldsymbol{\beta_1}$, $\boldsymbol{\beta 2}$, $\boldsymbol{\beta_3}$, $\boldsymbol{\beta_4}$ represent 'Regression Coefficients of Predictor Variable

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter primarily presents the analysis of the data collected, the results and the discussion of findings where the current study findings are related with previous studies. Specifically, the chapter covers the response rate, reliability test results, demographic analysis, the descriptive analysis, correlation and regression analysis conducted to achieve the objective of this research study.

4.2 Response Rate

The researcher issued 54 questionnaires to head of human resource in each insurance firm in Kenya that were the subject of the study. 40 of the 54 administered questionnaires were completed, filled out, and returned representing 74.1% response rate. As per Cooper and Schindler (2018), a study that has achieved a response rate of 70% should be considered excellent for data analysis and inference. The study's findings are displayed in table 4.1 below.

Table 4.1: Response Rate

Response Rate	Frequency	Percentage
Returned	40	74.1
Unreturned	14	25.9
Total	**54**	**100**

Source: Field Data (2023)

From Table 4.1, it was deduced that the study achieved 74.1% response rate. This implied that the data that was collected for the study was good for analysis, interpretation and inference.

Testing for reliability of a questionnaire is essential to ensure that the questionnaire consistently measures what it intends to measure. Reliability assesses the degree to which a measurement

instrument, in this case a questionnaire, produces consistent and dependable results. It provides an indication of the instrument's stability and consistency over time, across different samples, and among different ratters or observers. The questionnaire items in this study were subjected to reliability tests which were done using Cronbach's Alpha. Generally, a Cronbach Alpha greater than 0.7 implies that the questionnaire is internally consistent. The results are as depicted in Table 4.2.

Table 4.2 Reliability Results

Variables	No. of Items	Cronbach's Alpha	Critical Value	Conclusion
Knowledge acquisition	6	0.847	0.7	Reliable
Knowledge application	6	0.823	0.7	Reliable
Knowledge transfer	6	0.903	0.7	Reliable
Knowledge protection	6	0.793	0.7	Reliable
Performance	4	0.917	0.7	Reliable

Source: Research Data (2023)

Table 4.2 outcomes indicated a relatively high degree of consistency in the variables. Performance returned the highest alpha of 0.917 while knowledge protection had the lowest at 0.793. The five variables had alpha way above the 0.7 recommended by Burns and Burns (2018). The decision points therefore confirm that the study variables were reliable.

4.3 Demographic Analysis

The study aimed at understanding the general features of the respondents that were being surveyed. The demographic characteristics considered in this study was gender, age and education level.

4.3.1 Respondents' Gender

Table 4.3 shows the gender distribution of the respondents to a study on the effect of knowledge management on the performance of insurance firms in Kenya.

Table 4.3: Gender of Respondents

Gender	Frequency	Percentage
Male	21	52.5%
Female	19	47.5%
Total	**40**	**100%**

Source: Field Data (2023)

There were 40 respondents in total, of which 21 (52.5%) were male and 19 (47.5%) were female. This means that there was a slightly higher proportion of male respondents than female respondents. However, the difference was relatively small, and the gender distribution was fairly balanced.

4.3.2 Age of the Respondents

The study sought to establish the age of the respondents involved in this research. Understanding the age of the respondents is important as someone's age can influence their response to study. The results are as shown in Table 4.4

Table 4.4: Respondents' Age Composition

Age	Frequency	Percentage
Below 30 years	1	2.5%
31-40 years	11	27.5%
41-50 years	19	47.5%
Above 50 years	9	22.5%
Total	**40**	**100%**

Source: Research Data (2023)

Table 4.4 displays that the majority of the respondents (47.5%) are between the ages of 41 and 50 years old, followed by 27.5% who are between the ages of 31 and 40 years old. Only 2.5% of the respondents are below 30 years old, and 22.5% are above 50 years old. Since the majority of respondents are between the ages of 31 and 50, they likely have at least 10 years of experience in the insurance industry. This suggests that they have a deep understanding of the industry and the challenges that insurance firms face.

4.3.3 Highest Education Level

The target respondents were asked to indicate their highest educational level. The results are shown in Table 4.5.

Table 4.5: Distribution of Respondents by Highest Level of Education

Education	Frequency	Percentage
Undergraduate Degree	17	42.5%
Postgraduate Degree	23	57.5%
Total	**40**	**100%**

Source: Research Data (2023)

Table 4.5 shows that majority of the respondents (57.5%) have a postgraduate degree, while 42.5% have an undergraduate degree. This suggests that the respondents have a high level of education and are likely to be knowledgeable about insurance and knowledge management. The high level of education of the respondents is a positive indicator for the study. It suggests that the results are likely to be reliable and informative.

4.4 Knowledge Management Capabilities and Performance

Descriptive statistics allowed the researcher to analyze and interpret the mean and standard deviation of the data, providing a clear understanding of the distribution and patterns within the dataset. They also provided a foundation for further inferential statistical analyses and decision-making in the research process.

4.4.1 Knowledge Acquisition

Table 4.6 provides a comprehensive summary of responses from 40 human resource managers on knowledge acquisition within Kenyan insurance firms. The table presents mean scores and standard deviations for various statements related to knowledge management practices.

Table 4.6: Descriptive Statistics for Knowledge Acquisition

Statements	N	Mean	Std. Dev

The organization encourages search of knowledge earlier created for use in current tasks.	40	3.86	0.81
Every organization's employee is essential to knowledge generation.	40	4.05	0.77
The company promotes knowledge exchange amongst several departments to get a competitive edge.	40	3.91	0.95
Sharing information inside the company creates a pool of seasoned employees, which fosters creativity.	40	4.09	0.60
The management encourages distribution of acquired knowledge to different departments.	40	4.05	0.77
Discovered knowledge is disseminated within the organization to all significant stakeholders using print or electronic media.	40	4.64	0.48
Overall mean Score	**40**	**4.10**	**0.76**

Source: Field Data (2023)

Examining specific statements, the first statement, emphasizing the encouragement of utilizing previously created knowledge for current tasks, yielded a mean score of 3.86. This suggests a generally positive attitude, but the standard deviation of 0.81 indicates some diversity in opinions among respondents. The second statement, highlighting the essential role of every employee in knowledge generation, received a mean score of 4.05, indicating a relatively high level of agreement among respondents. The standard deviation of 0.77 suggests moderate variability in perceptions.

The third statement, addressing the promotion of knowledge exchange among different departments for a competitive edge, garnered a mean score of 3.91, indicating positive but less pronounced agreement. The higher standard deviation of 0.95 suggests greater diversity in responses. The fourth statement, underlining the contribution of internal information sharing to a pool of seasoned employees and fostering creativity, achieved a mean score of 4.09, indicating a generally positive perception. The lower standard deviation of 0.60 suggests a higher level of agreement.

The fifth statement, focusing on management encouragement for the distribution of acquired knowledge to different departments, obtained a mean score of 4.05, suggesting a positive perception. The standard deviation of 0.77 indicates some variability in responses. The final statement, emphasizing the dissemination of discovered knowledge within the organization using print or electronic media, received the highest mean score of 4.64, indicating strong agreement among respondents. The lower standard deviation of 0.48 suggests a higher level of consensus.

The overall mean score for knowledge acquisition is 4.10, suggesting a generally positive perception among respondents regarding knowledge management practices within Kenyan insurance firms. The standard deviation of 0.76 indicates a moderate level of variability in responses across all statements.

4.4.2 Knowledge Application

Table 4.7 provides descriptive statistics for the knowledge application aspect within Kenyan insurance firms, as perceived by 40 human resource managers. The table includes mean scores and standard deviations for statements related to the application of knowledge within these organizations.

Table 4.7: Descriptive Statistics for Knowledge Application

Statements	N	Mean	Std. Dev
Organizational invention emanates from new information results application.	40	4.09	0.67
New innovation offers the company a competitive advantage in the market.	40	3.95	0.71
Putting learned information to use results in new products being introduced to the market.	40	3.68	1.14
As a result of new designs produced by information gained, new markets and clients are created.	40	3.64	0.88
Knowledge application leads to creation of new and unique products	40	4.09	0.73

in the market.			
The development of new items as a function of knowledge application boosts sales.	40	3.95	0.88
Overall Mean Score	**40**	**3.90**	**0.60**

Source: Field Data (2023)

Examining the specific statements, the first statement, indicating that organizational invention stems from the application of new information results, received a mean score of 4.09. This suggests a generally positive perception among respondents. The relatively low standard deviation of 0.67 indicates a higher level of agreement and consistency in responses. The second statement, highlighting the competitive advantage gained from new innovation, obtained a mean score of 3.95, indicating positive but slightly less pronounced agreement. The standard deviation of 0.71 suggests moderate variability in perceptions among respondents.

The second statement, highlighting the competitive advantage gained from new innovation, obtained a mean score of 3.95, indicating positive but slightly less pronounced agreement. The standard deviation of 0.71 suggests moderate variability in perceptions among respondents. The fourth statement, stating that new designs produced by gained information lead to the creation of new markets and clients, received a mean score of 3.64. This suggests a positive perception, but the standard deviation of 0.88 indicates variability in responses and less agreement among respondents.

The fifth statement, highlighting that knowledge application leads to the creation of new and unique products in the market, achieved a mean score of 4.09, indicating a generally positive perception. The standard deviation of 0.73 suggests a moderate level of variability in responses. The sixth statement, focusing on the development of new items as a result of knowledge application boosting sales, obtained a mean score of 3.95. This suggests a positive perception,

but the standard deviation of 0.88 indicates some variability in responses and less agreement among respondents.

The overall mean score for knowledge application is 3.90, indicating a generally positive perception among respondents regarding the application of knowledge within Kenyan insurance firms. The lower standard deviation of 0.60 suggests a higher level of agreement and consistency in responses across all statements compared to the individual statements.

4.4.3 Knowledge Transfer

Table 4.8 outlines the descriptive statistics for knowledge transfer within Kenyan insurance firms, as perceived by 40 human resource managers. The table includes mean scores and standard deviations for statements related to the transfer of knowledge within these organizations. Examining the specific statements, the first statement, indicating that the organization encourages collaboration between members to facilitate knowledge transfer, received a mean score of 3.73. This suggests a moderately positive perception among respondents. The standard deviation of 0.91 indicates variability in responses, suggesting diverse opinions on the extent of encouragement for collaboration.

Table 4.8: Descriptive Statistics for Knowledge Transfer

Statements	N	Mean	Std. Dev
Our organization encourages collaboration between members to help in knowledge transfer.	40	3.73	0.91
Collaboration of members has fostered knowledge transfer to various departments of the organization.	40	3.73	0.62
Our organization works with multiple departments using diverse knowledge transfer techniques.	40	3.86	0.55
Collaboration of various systems and technologies leads to knowledge transfer to different staff members who learn different technologies in the organization.	40	3.14	0.87

Our company arranges benchmarking with other businesses in the same sector.	40	3.95	0.56
Benchmarking transfers information and expertise from other organizations to ours.	40	3.82	0.72
Overall Mean Score	**40**	**3.70**	**0.50**

Source: Field Data (2023)

The second statement, emphasizing that collaboration among members has fostered knowledge transfer to various departments, also received a mean score of 3.73. This indicates a consistent perception, but the lower standard deviation of 0.62 suggests a higher level of agreement and less variability in responses compared to the first statement. The third statement, stating that the organization works with multiple departments using diverse knowledge transfer techniques, obtained a mean score of 3.86. This suggests a generally positive perception among respondents. The lower standard deviation of 0.55 indicates a higher level of agreement and less variability in responses.

The fourth statement, highlighting that collaboration of various systems and technologies leads to knowledge transfer to different staff members with diverse learning technologies, received a mean score of 3.14. This indicates a less positive perception among respondents, and the higher standard deviation of 0.87 suggests more variability in responses and less agreement on this aspect. The fifth statement, focusing on the company arranging benchmarking with other businesses in the same sector, obtained a mean score of 3.95. This suggests a relatively positive perception among respondents. The lower standard deviation of 0.56 indicates a higher level of agreement and less variability in responses.

The sixth statement, indicating that benchmarking transfers information and expertise from other organizations to theirs, received a mean score of 3.82. This suggests a positive perception, and the standard deviation of 0.72 indicates some variability in responses and less agreement among

respondents. The overall mean score for knowledge transfer is 3.70, suggesting a moderately positive perception among respondents regarding knowledge transfer practices within Kenyan insurance firms. The lower standard deviation of 0.50 indicates a higher level of agreement and consistency in responses across all statements compared to the individual statements.

4.4.4 Knowledge Protection

Table 4.9 presents descriptive statistics for knowledge protection within Kenyan insurance firms, as perceived by 40 human resource managers. The table includes mean scores and standard deviations for statements related to the protection of knowledge within these organizations. Considering the specific statements, the first statement, stating that the company enjoys copyright rights for its technology and information, received a mean score of 3.73. This suggests a moderately positive perception among respondents. The standard deviation of 0.62 indicates a moderate level of agreement and some variability in responses.

The second statement, emphasizing that copyrighting technologies has prevented rivals from duplicating innovations, obtained a mean score of 3.64. This suggests a positive but somewhat less pronounced agreement among respondents. The standard deviation of 0.71 indicates moderate variability in perceptions. The third statement, stating that the organization has patents on its inventions, which helps stay out of trouble with the law, received a mean score of 3.36. This suggests a less positive perception among respondents. The higher standard deviation of 0.88 indicates more variability in responses and less agreement on this aspect.

Table 4.9: Descriptive Statistics for Knowledge Protection

Statements	N	Mean	Std. Dev
Its company enjoys copyright rights for our technology and information.	40	3.73	0.62

Our technologies' copyrighting has prevented rivals from duplicating our innovations.	40	3.64	0.71
We have patents on our inventions, which helps us stay out of trouble with the law.	40	3.36	0.88
Protecting our inventions with patents has improved our competitive edge.	40	4.05	0.56
Each member of our staff has a password that they use to access our system.	40	3.64	0.77
Our system's password protection helps shield it against unauthorized access.	40	4.41	0.49
Overall Mean Score	**40**	3.80	0.47

Source: Field Data (2023)

The fourth statement, highlighting those protecting inventions with patents has improved the competitive edge, received the highest mean score of 4.05. This suggests a strong positive perception among respondents. The lower standard deviation of 0.56 indicates a higher level of agreement and less variability in responses compared to the third statement. The fifth statement, focusing on each staff member having a password for system access, obtained a mean score of 3.64. This suggests a moderately positive perception among respondents. The standard deviation of 0.77 indicates a moderate level of agreement and some variability in responses.

The sixth statement, stating that the system's password protection helps shield it against unauthorized access, received the highest mean score of 4.41. This suggests a very positive perception among respondents. The lower standard deviation of 0.49 indicates a high level of agreement and consistency in responses. The overall mean score for knowledge protection is 3.80, indicating a moderately positive perception among respondents regarding knowledge protection practices within Kenyan insurance firms. The lower standard deviation of 0.47 indicates a higher level of agreement and consistency in responses across all statements compared to the individual statements.

4.4.5 Organizational Performance

Table 4.10 provides descriptive statistics for organizational performance within Kenyan insurance firms, as perceived by 40 human resource managers. The table includes mean scores and standard deviations for statements related to the performance of these organizations.

Table 4.10: Descriptive Results for Organizational Performance

Statements	N	Mean	Std. Dev
Our sales volumes have increased as a result of adoption of information management competences.	40	4.20	0.58
Service delivery to our customers has greatly improved due to focusing on their needs.	40	4.27	0.85
High efficiency has resulted from significant improvements in our internal business operations.	40	4.20	0.86
Training our employees led to high quality services being rendered to our clients leading to improvement in performance.	40	4.16	0.82
Overall Mean Score	**40**	**4.14**	**0.65**

Source: Field Data (2023)

Examining the specific statements, the first statement, indicating that sales volumes have increased as a result of adopting information management competences, received a mean score of 4.20. This suggests a positive perception among respondents. The standard deviation of 0.58 indicates a moderate level of agreement and some variability in responses. The second statement, emphasizing that service delivery to customers has greatly improved due to focusing on their needs, obtained the highest mean score of 4.27. This suggests a very positive perception among respondents. The higher standard deviation of 0.85 indicates a moderate level of agreement and some variability in responses.

The third statement, stating that high efficiency has resulted from significant improvements in internal business operations, received a mean score of 4.20. This suggests a positive perception

among respondents. The higher standard deviation of 0.86 indicates a moderate level of agreement and some variability in responses. The fourth statement, highlighting that training employees led to high-quality services being rendered to clients and improved performance, obtained a mean score of 4.16. This suggests a positive perception among respondents. The standard deviation of 0.82 indicates a moderate level of agreement and some variability in responses.

The overall mean score for performance across all statements is 4.14, with a standard deviation of 0.65. This suggests a generally positive perception of the factors related to performance within the surveyed Insurance firms, and the standard deviation indicates a moderate level of variability in responses among participants.

4.4.6 Correlation Analysis

Table 4.11 presents the correlation between the independent variables (knowledge acquisition, knowledge application, knowledge transfer, knowledge protection, and the dependent variable, performance. The Pearson Correlation values indicate the strength and direction of the linear relationship between these variables, while the significance level (Sig. 2-tailed) provides information on the statistical significance of these correlations.

Table 4.11: Correlation Results

		Performance	Knowledge acquisition	Knowledge application	Knowledge transfer	Knowledge protection
Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Knowledge acquisition	Pearson Correlation	.548**	1			
	Sig. (2-tailed)	.000				
Knowledge application	Pearson Correlation	.706**	.915**	1		
	Sig. (2-tailed)	.000	.000			

Knowledge transfer	Pearson Correlation	.932**	.602**	.726**	1	
	Sig. (2-tailed)	.000	.000	.000		
Knowledge protection	Pearson Correlation	.942**	.668**	.755**	.924**	1
	Sig. (2-tailed)	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).
b. Listwise N=40

Source: Field Data (2023)

The correlation results in Table 4.11 reveal significant relationships between organizational performance and each of the independent variables: knowledge acquisition, knowledge application, knowledge transfer, and knowledge protection. The Pearson correlation coefficients indicate positive and strong associations between organizational performance and each dimension of knowledge management. Specifically, knowledge acquisition shows a moderate positive correlation ($r = 0.548$, $p < 0.05$) with performance, suggesting that firms emphasizing the acquisition of knowledge tend to exhibit better performance.

The correlation between knowledge application and performance is even stronger ($r = 0.706$, $p < 0.05$), emphasizing the importance of effectively applying acquired knowledge for improved organizational performance. Furthermore, knowledge transfer demonstrates a very strong positive correlation with performance ($r = 0.932$, $p < 0.05$), indicating that organizations excelling in transferring knowledge across various dimensions are likely to experience higher performance. Similarly, knowledge protection exhibits a remarkably high positive correlation with performance ($r = 0.942$, $p < 0.05$), suggesting that effective protection of organizational knowledge positively influences overall performance. Overall, these findings underscore the significance of various knowledge management dimensions in shaping the performance outcomes of insurance firms in Kenya.

4.4.7 Regression Analysis

The regression analysis aimed to determine the effect of the independent variables (knowledge acquisition, knowledge application, knowledge transfer, and knowledge protection) on the dependent variable (Performance). The model summary, ANOVA, and coefficients tables present the analysis' findings. The model summary explains how much variation in the dependent variable is due to the independent variables fitted in the model. The ANOVA table checks if the model fit is statistically significant in predicting the dependent variable and the coefficient table quantifies the magnitude of the association between the variables. The findings of the study are shown in the tables below.

Table 4.12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.968[a]	.936	.929	.230341

a. Predictors: (Constant), Knowledge protection, Knowledge acquisition, Knowledge transfer, Knowledge application

Source: Field Data (2023)

The regression results in Table 4.12 indicate that the model, which includes knowledge protection, knowledge acquisition, knowledge transfer, and knowledge application as predictors, has a high explanatory power. The R Square value of 0.936 suggests that approximately 93.6% of the variance in organizational performance can be explained by the combined influence of these knowledge management dimensions.

Table 4.13: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.266	4	6.817	128.478	.000[b]
	Residual	1.857	35	.053		
	Total	29.123	39			

a. Dependent Variable: Performance

b. Predictors: (Constant), Knowledge protection, Knowledge acquisition, Knowledge transfer, Knowledge application

Source: Field Data (2023)

The ANOVA results in Table 4.13 further confirm the significance of the model. The regression model is statistically significant ($F = 128.478$, $p < 0.001$), indicating that at least one of the predictors significantly contributes to the prediction of organizational performance. The sum of squares for regression is 27.266, while the residual sum of squares is 1.857, supporting the notion that the model effectively captures the relationship between knowledge management dimensions and organizational performance.

Table 4.14: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.232	.355		3.473	.001
	Knowledge acquisition	.465	.132	.389	3.517	.001
	Knowledge application	.256	.095	.339	2.688	.011
	Knowledge transfer	.305	.113	.314	2.688	.011
	Knowledge protection	.627	.114	.655	5.475	.000

a. Dependent Variable: Performance

Source: Field Data (2023)

Analyzing the coefficients in Table 4.14 provides insights into the individual contributions of each predictor. The constant term is 1.232, representing the estimated organizational performance when all predictors are zero. Each of the knowledge management dimensions - knowledge acquisition ($B = 0.465$), knowledge application ($B = 0.256$), knowledge transfer ($B = 0.305$), and knowledge protection ($B = 0.627$) - has positive unstandardized coefficients. These coefficients indicate the change in organizational performance associated with a one-unit change

in each predictor, holding other predictors constant. The standardized coefficients (Beta) highlight the relative importance of each predictor. Notably, knowledge protection has the highest standardized coefficient (Beta = 0.655), indicating the strongest impact on organizational performance. This is followed by knowledge acquisition, knowledge application, and knowledge transfer, all of which contribute significantly to the predictive power of the model. All predictors are statistically significant ($p < 0.05$), reinforcing their importance in explaining variations in organizational performance.

From Table 4:14, the following model has been developed;

$$Y = 1.232 + 0.465X_1 + 0.256X_2 + 0.305X_3 + 0.627X_4$$

Where:

Y = Performance,

X_1 = Knowledge acquisition

X_2 = Knowledge application

X_3 = Knowledge transfer

X_4 = Knowledge protection

4.5 Discussion of Findings

In this study, the research sought to investigate the influence of knowledge management practices on the performance of insurance firms in Kenya. The findings reveal a strong positive relationship between knowledge management dimensions—knowledge acquisition, knowledge application, knowledge transfer, and knowledge protection—and organizational performance. The descriptive results highlight a generally positive perception among human resource

managers regarding knowledge management practices within Kenyan insurance firms. Specifically, the organizations were reported to encourage the search and application of knowledge, foster collaboration for knowledge transfer, and invest in protective measures for intellectual assets. The correlation analysis further underscored the significant and positive associations between these knowledge management dimensions and organizational performance, emphasizing their collective impact on the success of insurance firms in the Kenyan context.

The regression analysis provided deeper insights into the predictive power of these knowledge management dimensions. The model, incorporating knowledge acquisition, application, transfer, and protection, demonstrated a high explanatory power, explaining approximately 93.6% of the variance in organizational performance. Notably, knowledge protection emerged as the most influential factor, followed by knowledge acquisition, application, and transfer. This suggests that safeguarding intellectual assets plays a crucial role in determining organizational success in the insurance industry. The overall findings suggest that insurance firms in Kenya can enhance their performance by strategically managing knowledge across its lifecycle—from acquisition and application to transfer and protection.

The findings of the current study resonate with several empirical studies conducted in different contexts, providing a broader perspective on the impact of knowledge management practices on organizational performance. In Malaysia, the study by Hanif, Bahauddin, and Abdul Hamid (2018) aligns with the current research by emphasizing the positive influence of knowledge transfer on organizational performance. Both studies recognize the importance of effective knowledge transfer processes in enhancing the operational capabilities of organizations, although the industries under investigation (banks in Malaysia versus insurance firms in Kenya) differ.

This consistency across diverse contexts supports the generalizability of the positive association between knowledge transfer and organizational performance.

In the United Kingdom, the research by Gareth and White (2017) on the utilization of Pmapping for knowledge acquisition finds parallels with the current study's emphasis on the significance of knowledge application. Both studies underscore the positive impact of actively acquiring and utilizing knowledge within organizations. The UK study specifically focuses on how knowledge acquisition, facilitated by mapping processes, contributes to business process enhancement. Similarly, the current study highlights the positive association between knowledge application and improved service delivery, internal operations, and product innovation within Kenyan insurance firms.

The study conducted by Ngahu and Mbugua (2017) in Kenya, exploring knowledge management capacities in financial institutions, further reinforces the present research findings. Both studies adopt a descriptive research strategy and emphasize the positive influence of knowledge acquisition on organizational performance. The alignment between these studies suggests that the proactive pursuit and application of knowledge contribute positively to the operational efficiency and overall performance of organizations, irrespective of the specific industry within the Kenyan context.

In the study by Gachungi and Mugambi (2017) on the use of information and communication technology (ICT) and its impact on the performance of the Kenya National Highway Authority (KeNHA), the findings parallel the emphasis on knowledge application in the current research. Both studies recognize the transformative impact of technology-enabled knowledge application on organizational performance. While Gachungi and Mugambi focus on the role of electronic communication and ICT, the current study underscores the broader concept of knowledge

application in fostering creativity, boosting sales, and improving internal business operations within the insurance sector in Kenya. The convergence of findings across these studies emphasizes the multifaceted nature of knowledge management and its implications for organizational success.

The findings of this study align closely with the theoretical frameworks that guided the research, specifically the Resource-Based Theory and institutional theory. The positive correlations and significant regression coefficients observed between knowledge management dimensions (knowledge acquisition, application, transfer, and protection) and organizational performance substantiate the Resource-Based Theory's proposition that internal resources and capabilities contribute to sustained competitive advantage. The emphasis on knowledge protection as the most influential factor aligns with the theory's recognition of the strategic importance of unique and protected resources. Additionally, the positive relationships identified between knowledge transfer and performance resonate with the institutional theory's perspective that organizations adopting best practices and effective knowledge-sharing mechanisms enhance their legitimacy and performance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter entails summary of findings, conclusions, implications and finally recommendations. This section also includes the limitations and suggestions for future studies.

5.2 Summary of Findings

The primary objective of this study was to explore the impact of knowledge management practices on the performance of insurance firms in Kenya. Employing a methodology anchored in the resource-based theory and supported by institutional theory, the study collected primary data from the heads of human resources in 40 out of the 54 insurance firms in Kenya. Utilizing a Likert scale questionnaire, the study assessed knowledge acquisition, application, transfer, and protection. The descriptive results revealed a generally positive perception among human resource managers regarding these knowledge management practices, indicating a proactive approach within Kenyan insurance firms to encourage the search, application, and protection of knowledge.

The correlation results unveiled significant and positive relationships between organizational performance and each dimension of knowledge management. Notably, knowledge transfer exhibited a very strong positive correlation with performance, suggesting that effective knowledge transfer practices contribute significantly to organizational success. This finding aligns with the Resource-Based Theory, emphasizing the strategic importance of internal capabilities, in this case, knowledge transfer, for achieving a competitive advantage. The

correlation results underscored the interconnectedness of knowledge management dimensions and their collective impact on the overall performance of insurance firms in Kenya.

Delving into the regression results, the model incorporating knowledge acquisition, application, transfer, and protection demonstrated a high explanatory power, explaining approximately 93.6% of the variance in organizational performance. The standardized coefficients highlighted the relative importance of each predictor, with knowledge protection emerging as the most influential factor, followed by knowledge acquisition, application, and transfer. The regression findings reinforced the significance of protecting intellectual assets and strategically managing knowledge throughout its lifecycle.

5.3 Conclusion of the Study

In conclusion, this study sheds light on the significance of knowledge acquisition in the context of Kenyan insurance firms. The findings from the descriptive analysis revealed a positive organizational stance toward encouraging the search and utilization of existing knowledge for current tasks. The positive mean scores and moderate standard deviations suggest a generally favorable perception of knowledge acquisition practices within these firms. This aligns with the broader understanding that fostering a culture of continuous learning and knowledge exploration contributes to organizational adaptability and innovation.

The study uncovered a positive organizational outlook regarding the impact of applying knowledge on various facets of performance. The descriptive statistics indicated a high mean score for statements emphasizing the positive influence of knowledge application on service delivery, efficiency, and the introduction of new products to the market. The relatively low standard deviations suggest a higher level of agreement among respondents regarding the

positive outcomes associated with effectively applying knowledge within the organizational context.

The correlation analysis highlighted a significant and positive relationship between knowledge transfer practices and organizational performance. The strong correlation coefficients underscore the strategic importance of fostering collaboration and sharing information across departments. The study's findings suggest that organizations in the Kenyan insurance sector recognizing the value of knowledge transfer may experience enhanced overall performance, emphasizing the importance of effective communication and collaboration in the dissemination of valuable insights and expertise.

The study's exploration of knowledge protection revealed a particularly strong positive correlation with organizational performance. The descriptive results indicated a positive perception among human resource managers regarding the organization's emphasis on protecting intellectual assets through copyright, patents, and password-protected systems. The robust correlation coefficients, especially with knowledge protection, underscore the strategic significance of safeguarding organizational knowledge and technologies as a means to positively influence overall performance.

5.4 Recommendations for Policy and Practice

In light of the study's findings, several recommendations can be offered for policymakers and practitioners in the Kenyan insurance industry. Firstly, policymakers should consider developing and implementing guidelines that promote a knowledge-friendly organizational culture. Encouraging knowledge acquisition practices can be facilitated through training programs, workshops, and incentives that highlight the value of continuous learning and information exploration. Moreover, policymakers should collaborate with industry stakeholders to establish

industry-wide standards for knowledge management, fostering a collective effort to enhance the sector's overall knowledge capabilities.

Practitioners within Kenyan insurance firms should prioritize the effective application of acquired knowledge to improve service delivery, internal operations, and product innovation. This can be achieved by investing in training programs that equip employees with the skills to apply knowledge effectively in their roles. Furthermore, fostering a collaborative environment that encourages cross-functional teams and knowledge-sharing platforms can enhance the practical application of knowledge across different departments.

Knowledge transfer practices should be strategically integrated into organizational processes. Policymakers and practitioners should explore the implementation of knowledge-sharing platforms, mentorship programs, and regular cross-functional collaboration sessions. This could facilitate the seamless exchange of insights and expertise, enhancing the collective knowledge base within the industry. Establishing benchmarking initiatives with successful organizations both within and outside the insurance sector could also provide valuable insights and best practices for effective knowledge transfer.

The study highlights the critical importance of knowledge protection for organizational performance. Policymakers should develop and enforce regulations that safeguard intellectual property rights and promote responsible knowledge protection measures within the industry. Practitioners should invest in robust cybersecurity systems, regularly update and monitor password protection measures, and explore opportunities for patenting innovative products or processes. This proactive approach to knowledge protection can contribute to sustaining

competitive advantages and mitigating potential risks associated with unauthorized access or replication of proprietary knowledge.

Organizations are strongly encouraged to invest in effective knowledge protection practices. The study highlights the significant positive impact of knowledge protection on performance. Insurance firms should develop and implement well-defined conceptual measures and definitions, along with baseline data, to assess progress at different levels of implementation. Regularly comparing actual performance against budget plans, as suggested by the study, allows organizations to identify areas for improvement and enhance their overall adaptive capacity.

5.5 Limitations of the Study

Despite the valuable insights gained from this study, it is essential to acknowledge several limitations that should be considered when interpreting and applying the findings. Firstly, the research focused solely on the perception of human resource managers within insurance firms in Kenya. While their perspectives provide valuable insights into organizational practices, the exclusion of other key stakeholders, such as top-level executives, operational staff, and external partners, may limit the comprehensiveness of the study.

The study relied on self-reported data collected through a questionnaire, introducing the possibility of social desirability bias and response bias. Respondents may have provided answers that they believed were socially acceptable or aligned with organizational expectations. Additionally, the study assumed that respondents accurately perceived and represented their organization's knowledge management practices.

The cross-sectional nature of the study design limits the establishment of causal relationships between the independent variables (knowledge acquisition, knowledge application, knowledge

transfer, and knowledge protection) and performance. Longitudinal studies could provide a more in-depth understanding of the dynamics and changes in these relationships over time. The study's reliance on a single point in time makes it challenging to draw definitive conclusions about the direction of causality.

The study was confined to the Kenyan insurance sector, and its findings may not be directly generalizable to other industries or global contexts. The insurance sector is characterized by unique challenges, regulatory frameworks, and market dynamics that may not be fully representative of other industries. Replicating this study in different sectors or regions could offer comparative insights and contribute to the generalizability of the findings.

5.6 Suggestions for Further Research

Future research could explore the longitudinal dynamics of knowledge management within the Kenyan insurance sector. A longitudinal study would allow for the examination of how knowledge management practices evolve over time and their corresponding effects on organizational performance. This approach could uncover insights into the causal relationships and the sustainability of the observed positive associations.

Expanding the scope of the study to include a broader range of stakeholders beyond human resource managers would offer a more comprehensive understanding of knowledge management practices. Including perspectives from top-level executives, operational staff, and external partners would provide a multi-faceted view of the organizational landscape. This approach could reveal potential discrepancies in perceptions across different organizational levels and shed light on how varied stakeholders contribute to or perceive the impact of knowledge management on performance.

Comparative studies across different industries and sectors would contribute to a more nuanced understanding of the contextual factors that influence the relationship between knowledge management practices and performance. Investigating how knowledge management operates in diverse organizational settings could uncover industry-specific challenges, opportunities, and best practices. This comparative approach would enhance the external validity of findings and facilitate the development of more targeted and context-specific recommendations for knowledge management strategies.

Exploring the role of technology and digital platforms in facilitating knowledge management practices could be a fruitful area for further investigation. The technological landscape is rapidly evolving, and organizations increasingly rely on digital tools for knowledge sharing, collaboration, and protection. Research could delve into the impact of emerging technologies, such as artificial intelligence, machine learning, and blockchain, on knowledge management within the insurance sector.

REFERENCES

Abuaddous, H. Y., Al Sokkar, A. A., & Abualodous, B. I. (2018). The impact of knowledge management on organizational performance. *International Journal of Advanced Computer Science and Applications*,, 9(4), p. 204-208.

Ahmad, K., & Zabri, S. M. (2016). The application of non-financial performance measurement in Malaysian manufacturing firms. *Procedia Economics and Finance*, 35, p. 476 – 484.

Ahmed, S., Fiaz, M., & Shoaib, M. (2015). Impact of knowledge management practices on organizational performance: an empirical study of banking sector in Pakistan. *FWU Journal of Social Sciences*, , 9(2), p. 147-167.

Amah, E. (2016). Sustained knowledge acquisition and organizational effectiveness: A study of manufacturing firms based in Rivers State, Nigeria. *Journal of Business and Management*, 16(10), p. 10-17.

Ambula, R., Kariuki, A., & Wasike, S. (2017). Knowledge management and performance in manufucturing firms: The mediating role of learning organization. *International Journal of Economics, Commerce and Management*, 5(1), p. 9-28.

Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 1(17), p. 99-120.

Beauchamp, T. L., & Bowie, N. E. (2010). *Ethical Theory and business*, 7th Ed. Upper Saddle River, NJ: Pearson Prentice-Hall: 538-44.

Berger, P. L. & Luckmann, T. (1967) The social construct of reality, *The Penguin Press*

Bharadwaj, S. S., Chauhan, S., & Raman, A. (2015). Impact of knowledge management capabilities on knowledge management effectiveness in indian organizations. *The Journal for Decision Makers*, 40(4), p. 421–434.

Brandes, O., Brege, S., & Brehmer, P. O. (2015). The strategic importance of supplier relationships in the automotive industry. *International Journal of Engineering Business Management*, 2(3), p. 5-17.

Chiu, C.-N., & Chen, H.-H. (2016). The study of knowledge management capability and organizational effectiveness in Taiwanese public utility: The mediator role of organizational commitment. *SpringerPlus*, 40(3), p. 1-34.

Currie, W. L., & Swanson, E. B. (2009). Special issue on institutional theory in information systems research: contextualizing the IT artefact. *Journal of Information Technology*,24, 283 - 285

Dayan, R., Heisig, P., & Matos, F. (2017). Knowledge management as a factor for the formulation and implementation of organization strategy. *Journal of Knowledge Management*, 21(2), p. 308-329.

DiMaggio, P., & Powell, W. W. (1983). The iron cage revisited: Collective rationality and institutional isomorphism in organizational fields. *American sociological review*, 48(2), 147-160.

Donate, M. J., & de Pablo, J. D. (2015). The role of knowledge-oriented leadership in knowledge management practices and innovation. *Journal of Business Research*, 68,p. 360–370.

Estrada, I., Faems, D., & de Faria, P. (2016). Competition and product innovation performance: The role of internal knowledge sharing mechanisms and formal knowledge protection mechanisms. *Industrial Marketing Management*, 53, p. 56–65.

Ferraris, A., Santoro, G., & Dezi, L. (2017). How MNC's subsidiaries may improve their innovative performance? The role of external sources and knowledge management capabilities. *Journal of Knowledge Management*, 21(3), p. 540-552.

Figge, F., Hahn, T., Schaltegger, S., & Wagner, M. (2018). The sustainability balanced scorecard-Theory and application of a tool for valuebased sustainability management. *Sustainability*, p. 1-32.

Fraihat, B. M., & Samadi, B. (2017). Knowledge management capabilities and organizational performance of public listed companies: A conceptual framework. *International Journal of Business and Social Research*, 7(11), p. 09-20.

Gachungi, R. W., & Mugambi, M. (2017). Influence of information and communication technology application on management of road projects:A case of National Highway Authority. *International Journal of Project Management*, 1(6), p. 98-118.

Gakuo, E. W., & Rotich, G. (2017). Effect of strategic knowledge management on performance of commercial banks in Kenya. *International Academic Journal of Human Resource and Business Administration*, 2(3), p. 19-45.

Gareth, R. T., & White, S. C. (2017). Knowledge acquisition through process mapping:Factors affecting performance of work based activity. *International Journal of Productivity and Performance Management*, 65(3), p. 302-323.

Gathungu, J.M.; Aiko, D. M.; & Machuki, V. N. (2014). Entrepreneurial orientation, networking, external environment, and firm performance: A critical literature review. *European Scientific Journal*, *10*(7); 335-357.

Greckhamer, T., & Gur, F. A. (2015). A set theoretic study of generic strategies and firm performance differences. *Academy of Management Proceedings*. Retrieved 11 05, 2019, from https://doi.org/10.5465/ambpp.15849

Hanif, M. I., Bahauddin, F. M., & Abdul Hamid, A. B. (2018). The effect of knowledge management and entrepreneurial orientation on organization performance. *Journal of Entrepreneurship Education*, 21(4), p. 928-935.

Hirst, C. A. (2010). A study of the intra-organizational processes of institutionalization: Establishing the practices of knowledge management.

Hislop, D., Bosua, R., & Helms, R. (2018). *Knowledge management in organizations: A critical introduction.* Oxford University Press.

Huang, C.-L. (2015). The influence of knowledge management implementation on organizational performance at Taiwan-listed integrated circuit companies: using intellectual capital as the mediator. *The Journal of International Management Studies*, 10(1), p. 1-17.

Ibrahim, F. & Reid, V. (2009). What is the value of Knowledge Management Practices? *Electronic Journal of Knowledge Management*,7(5), p 567-574.

Ivo, H., Antonio, C., & Andrea, A. (2019). Sustainability value creation, survival,and growth of the company: A critical perspective in the sustainability balanced scorecard (SBSC). *Sustainability*, 11, p. 1-19.

Kaboro, D.N. (2013). Factors that influence the level of knowledge management in public sector organizations in Kenya: a case of the ethics and anti-corruption commission. *Journal of Professional Management* 15(1): 156-171.

Karani, A. R. (2015). *Effect of knowledge management practices on performance of mobile telephone companies in Kenya*. (Unpublished MBA oriject). University of Nairobi, Nairobi,Kenya.

Karyani, E., & Rossieta, H. (2018). Generic strategies and financial performance persistence in the banking sector in Indonesia. *Management & Accounting Review*, 17(1), p. 1-7.

Ketchen, D. J., Barney, J., & Wright, M. (2011). The future of resource-based theory:revitalization or decline? *Journal of Management*, 37(5), p. 1299-1315.

Khalifa, M. and V. Liu (2003). Determinants of Satisfaction at Different Adoption States of Internet-based Services. *Journal of the Association for Information Systems*, 4(5), p.206-232.

Khuram S. (2016). Integrating knowledge management (KM) strategies and processes to enhance organizational creativity and performance: An empirical investigation. *Journal of modelling in management*, 11 (1)154-179

Kinyua, G. M., Muathe, S. A., & Kilika, J. M. (2015). Effect of knowledge conversion and knowledge application on performance of commercial banks in Kenya. *International Journal of Education and Research*, 3(10), p. 431-445.

Kim, T. H., Lee, J. N., Chun, J. U., & Benbasat, I. (2014). Understanding the effect of knowledge management strategies on knowledge management performance: A contingency perspective. *Information & management*, 51(4), 398-416.

Krell, K., Matook, S., & Rohde, F. (2016). The impact of legitimacy-based motives on IS adoption success: An institutional theory perspective. *Information & Management*, 53(6), 683-697.

Krogh, G. v., & Nonaka, I. (2009). Tacit knowledge and knowledge conversion: controversy and advancement in organizational knowledge creation theory. *Organization Science*, 20(3), p. 635–652.

Lin, J., Luo, Z., & Luo, X. (2020). Understanding the roles of institutional pressures and organizational innovativeness in contextualized transformation toward e-business: Evidence from agricultural firms. *International Journal of Information Managemen*t, 51, 102025.

Matin, E. K., & Sabagh, P. (2015). Effects of knowledge management capabilities on organizational performance in iranian export companies. *Mediterranean Journal of Social Sciences*, 6(2), p. 240-250.

McGill, M. E., & Slocum, J. W. (1994). *The smarter organization: how to build a business that learns and adapts to marketplace.* New York: John Wiley & Sons.

Mitra, A., O'Regan, N., & Sarpong, D. (2017). Cloud resource adaptation: A resource-based perspective on value creation for corporate growth. *Technological Forecasting and Social Change*, 1(3), p. 52-72.

Mtawali, B. C., & Kiiru, D. (2018). Knowlege management practices and performance of microfinance institutions in Kenya:A case of uwezo microfFinance bank. *International Academic Journal of Human Resource and Business Administration*, 3,(2), p. 524-549.

Mugenda, O.M & Mugenda. A.G (1999). *Research methods. quantitative and qualitative approaches.* (pp. 46 - 48). Nairobi, Kenya: ACTS Press.

Mustafa, H. K., &Yaakub, S. (2018). Innovation and Technology Adoption Challenges: Impact On SMES' Company Performance. *International Journal of Accounting*, *3*(15), p. 57-65.

Ngahu, D., & Mbugua, D. (2017). Knowledge management and commercial bank performance in Kenya. *The Strategic Journal of Business & Change Management*, 2(52), p. 923-942.

Nonaka, I. (1994). A dynamic theory of organizational knowledge creation. *Organizational Science*, 5(1), p. 14–37.

Nurdin, N., Stockdale, R., & Scheepers, H. (2012, September). The influence of external institutional pressures on local e-government adoption and implementation: A coercive perspective within an Indonesian local e-government context. *In International Conference on Electronic Government* (pp.13-26). Springer, Berlin, Heidelberg.

Olaima, D., AL-ameryeen, M., & Al-Makhadmah , I. M. (2015). The influence of knowledge management on organizational performance in service organizations in Jordan. *Information and Knowledge Management*, 5(12), p. 42-48.

Ondari, O. E., & Smith, G. (2017). Knowledge management and enhanced government-service delivery in Kenya. In Proceedings of the 4th International Conference on Intellectual Capital, Knowledge Management and Organizational Learning, *Organization Science*, *10*(13), p. 339-351.

Palthe, J. (2014). Regulative, normative, and cognitive elements of organizations: Implications for managing change. *Management and organizational studies*,1(2), 59

Papa, A., Dezi, L., Gregori, G. L., Mueller, J., & Miglietta, N. (2018). Improving innovation performance through knowledge acquisition: the moderating role of employee retention and human resource management practices. *Journal of Knowledge Management*, p. 1-18.

Patton, M. Q. (1990). Designing qualitative studies. *In Qualitative research and evaluation methods* (2) p169 – 186

Reich, B. H., Gemino, A., & Sauer, C. (2014). How knowledge management impacts performance in projects: An empirical study. *International journal of project management*, 32(4), 590-602.

Saini, R. (2016). Impact of knowledge management practices on selected industries: a structural equation modeling approach. *Management & Marketing challenges for the Knowledge Society*, 8(4), p. 577-592.

Salama, I. E. (2017). The impact of knowledge management capability, organizational learning, and supply chain management practices on organizational performance. *The Business and Management Review*, 8(5), p. 1-18.

Sarkindaji, B. D., Hashim, N. A., & Abdullateef, A. O. (2016). Knowledge management and organizational performance of mobile service firms in Nigeria: A proposed framework. *Information and Knowledge Management*, 4(11), p. 88-95.

Scott, R. W. (2014), Institutions and Organizations, 4th ed.,Sage Publications Inc., Thousand Oaks, CA

Toyama, R., & Nonaka, I. (2015). The Knowledge-creating theory revisited: knowledge creation as a synthesizing process. *The essentials of knowledge management*, p. 95-110.

Wakhu, P. O., & Bett, S. (2019). Effect of competitive strategies on performance of Uber Online Taxi Firm in Nairobi, Kenya. *International Journal of Current Aspects*, 3(4), p. 80-92.

Zucker, L. G (1987). Institutional theories of organization. *Annual review of Sociology*, 13(1),443 – 464.

APPENDICES

Appendix I: Letter of Introduction

KELVIN MWAMBINGU

P.O. BOX 30197-00100

NAIROBI, KENYA

LETTER OF INTRODUCTION

This is to inform you that the above-named student is a Master of Business Administration Reg Number D61/89113/2016. He is in his final year of studies and is therefore required to undertake research in his field of study specialization. The goal of this letter is to ask for your assistance so that he can administer his data collection instrument in your organization and compile a report that will be strictly be used for academic purposes only.

Yours Faithfully

KELVIN MWAMBINGU

Appendix II: Research Questionnaire

Dear Respondent,

I am undertaking a Master of Business Administration degree at the University of Nairobi and I have developed the questionnaire with respect to **KNOWLEDGE MANAGEMENT AND THE PERFORMANCE OF INSURANCE FIRMS IN KENYA.** Kindly, specify with a tick or filling in the provided space(s). This is only for research work and all evidence will be preserved with the confidentiality it deserves.

Section A: Demographic Characteristics of the Respondents.

1. Kindly indicate your gender

   a) Male ( )

   b) Female ( )

2. Please indicate your age

   (a) Below 30 years ( )

   (b) Between 31-40 years ( )

   (c) Between 41-50 years ( )

   (d) Above 50 years ( )

3. Please indicate the highest level of education

   (a) Undergraduate Degree ( )

   (b) Postgraduate Degree ( )

   (c) PhD ( )

Section B: Knowledge Acquisition on Performance

The following statements show knowledge acquisition influence on firm performance. Through ticking, kindly specify your rating suitably on a scale of 5-1, where 5= strongly agree, 4=agree 3=neutral 2=disagree 1=strongly disagree.

Knowledge Acquisition on Performance	**5**	**4**	**3**	**2**	**1**
4. The organization encourages search of knowledge earlier created for use in current tasks.					
5. Every organization's employees is essential to knowledge generation.					
6. The company promotes knowledge exchange amongst several departments to get a competitive edge.					
7. Sharing information inside the company creates a pool of seasoned employees, which fosters creativity.					
8. The management encourages distribution of acquired knowledge to different departments.					
9. Discovered knowledge is disseminated within the organization to all significant stakeholders using print or electronic media.					

Section C: Knowledge Application on Performance

The following statements show the effect of knowledge application on performance of firms. Through ticking, kindly specify your rating appropriately on a scale of 5-1, where 5= strongly agree, 4=agree 3=neutral 2=disagree 1=strongly disagree.

Knowledge Application on Performance	**5**	**4**	**3**	**2**	**1**
10. Organizational invention emanates from new information results application.					
11. New innovation offers the company a competitive advantage in the market.					
12. Putting learned information to use results in new products being introduced to the market.					
13. As a result of new designs produced by information gained, new markets and clients are created.					
14. Knowledge application leads to creation of new and unique products in the market.					
15. The development of new items as a function of knowledge application boosts sales.					

Section D: Knowledge Transfer and Performance

The following statements show how knowledge transfer influences performance of firms. Kindly, specify your rating by suitably ticking on a scale of 5-1, where 5= strongly agree, 4=agree 3=neutral 2=disagree 1=strongly disagree.

Knowledge Transfer and Performance	**5**	**4**	**3**	**2**	**1**
16. Our organization encourages collaboration between members to help in knowledge transfer.					
17. Collaboration of members has fostered knowledge transfer to various departments of the organization.					
18. Our organization works with multiple departments using diverse knowledge transfer techniques.					
19. Collaboration of various systems and technologies leads to knowledge transfer to different staff members who learn different technologies in the organization.					
20. Our company arranges benchmarking with other businesses in the same sector.					
21. Benchmarking transfers information and					

expertise from other organizations to ours.					

Section E: Knowledge Protection and Performance

The following statements show knowledge protection on performance of firms. Kindly specify your rating through ticking suitably on a scale of 5-1, where 5= strongly agree, 4=agree 3=neutral 2=disagree 1=strongly disagree.

Knowledge Protection and Performance	**5**	**4**	**3**	**2**	**1**
22. Its company enjoys copyright rights for our technology and information.					
23. Our technologies' copyrighting has prevented rivals from duplicating our innovations.					
24. We have patents on our inventions, which helps us stay out of trouble with the law.					
25. Protecting our inventions with patents has improved our competitive edge.					
26. Each member of our staff has a password that they use to access our system.					
27. Our system's password protection helps shield it against unauthorized access.					

Section F: Organization Performance

The following statements show measures of organization performance. Kindly specify your rating through ticking suitably on a scale of 5-1, where 5= strongly agree, 4=agree 3=neutral 2=disagree 1=strongly disagree.

Organization Performance	**5**	**4**	**3**	**2**	**1**
28. Our sales volumes have increased as a result of adoption of information management competences.					
29. Service delivery to our customers has greatly improved due to focusing on their needs.					
30. High efficiency has resulted from significant improvements in our internal business operations.					
31. Training our employees led to high quality services being rendered to our clients leading to improvement in performance.					

Thank you for your time and response.