

**MANAGEMENT PERCEPTION ON IMPLEMENTATION AND MAINTENANCE  
OF ISO 9001 CERTIFICATION AMONG INSURANCE COMPANIES IN KENYA**

**BY**

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## DECLARATION

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## **DEDICATION**

This study is dedicated to Vicky and Ricky

## **ABSTRACT**

An increasing number of organizations are making the strategic decision to go for ISO certification, positively perceiving the value added by this certification. In fact, a review of available literature shows how the vast majority of certified companies find the certification process a necessary starting point towards the implementation of quality management, process improvement, resource management and efficiency in performance. Hence, this study used the case of Kenya insurance industry with the objective of determining management perception on implementation and maintenance of ISO 9001 certification that influence their strategic and operational decisions in the insurance industry.

The research adopted a descriptive design. Primary information was collected through questionnaire and interviews. The target population included all the 41 insurance companies registered in Kenya according to the Association of Kenya Insurers (AKI, 2008). The head of strategy in each of the insurance companies was interviewed therefore, a total of 41 managers. Data was analyzed using descriptive statistics whereby absolute frequencies, percentages, mean and standard deviation were computed as appropriate.

The study found out that ISO certification is perceived by managers as increasing customer satisfaction, enhancing brand reputation and improving corporate image and enhance entry to access global market. The study recommends that the Insurances Regulatory Authority in existence be strengthened to monitor quality in the insurance sector; this would negate the perception that small insurance companies do not need quality systems and management should commit funds to ensure continuous quality process. The study suggests that further studies be done on the effect of International Organization for Standardization (ISO) certification on insurance service quality in Kenya.

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## **ABBREVIATIONS**

UNCTAD	United Nations Conference on Trade and Development
QMS	Quality Managements Systems
ISO	International Organization for Standards
KBS	Kenya Bureau of Standard
MIPs	Medical Insurance Providers
IRA	Insurance Regulatory Authority
AKI	Association of Kenya Insurers

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

In today's business world, growth is the outmost desire of every organization. Many organization take great pleasure in announcing their quarterly, semi-annually and even annual growth rate and measures to avoid losses are taken seriously. Considerable growth has been experienced in many sectors of the economy in the last decade. This immense growth has resulted from companies seeing the need to stretch out to the global markets. Liberalization, technology, stiff competition are just some of the factors that have seen organization enter foreign markets.

Operating in foreign markets can be a big hurdle to many organizations because of the challenges that come with foreign investment and the risk of loss is real. Due to the vast investment, insurance have thus became a vital and almost compulsory component for the continuation and success of these businesses. Insurance companies therefore, need to make strategic and operational decisions that will lead toward offering quality services of internationally acceptable standards. These will call for the companies to put in systems that will help them achieve their objectives and successfully play their role in an economy. A quality management system gives the framework needed to monitor and improve performance in any business unit. Strategic decisions determine the organizational relations to its external environment, encompass the entire organization, depend on input from all of functional areas in the organization, have a direct influence on the administrative and operational activities, and are vitally important to long-term health of an organization (Shirley, 1982). In a very small organization, there may be no

"system", just "our way of doing things", and "our way" is probably not written down, but all in the head of the manager or owner. The larger the organization, and the more people involved, the more the likelihood that there are written procedures, instructions, forms or records. These help ensure that everyone is not just "doing his or her own thing", and that the organization goes about its business in an orderly and structured way. This means that time, money and other resources are utilized efficiently.

To be really efficient and effective, the organization can manage its way of doing things by systemizing it. This ensures that nothing important is left out and that everyone is clear about who is responsible for doing what, when, how, why and where. Large organizations, or ones with complicated processes, could not function well without management systems. Companies in such fields as aerospace, automobiles, defense, or health care devices have been operating management systems for years. International Organization for Standards- ISO's management system standards make this good management practice available to organizations of all sizes, in all sectors, everywhere in the world. International standards are able to offer local firms practical solutions to problems arising from globalization and trade liberalization and can be used as strategic tools to achieve competitiveness (Lai, 1996).

### **1.1.1 Management Perception on Implementation**

Perception is the process which attribute meaning to incoming stimuli received through our five senses (Kibera and Waruingi,1988). It can also be defined as the process of interpreting directly through our senses, it is the entire process by which an individual becomes aware of his environment and interprets it to fit in his own frame of reference.

Perceptions vary from person to person. Different people perceive different things about the same situation. But more than that, we assign different meanings to what we perceive. And the meanings might change for a certain person. One might change one's perspective or simply make things mean something else. "Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment" (Robbins, 2005). "The brain seeks information, mainly by directing an individual to look, listen and sniff."(Freeman,1991)But, perception can cause disagreements among people, because each person sees things differently. So, it isn't unusual, for two people to see something and perceive it differently. Many situations arise that a manager must decide between truth and perception. Basically, a person "knows the object is familiar and whether it is desirable or dangerous" (Freeman, 1991).

Many factors will aid in influencing the way a manager can view someone or something. Some factors influencing a managers perception are the person's attitude and motive, interest, experience, and expectation. The manager will have to delete their own perceptions of what they are seeing and decide on the facts only. Basically, "perception are created by habit" and they can become a major pitfall. Some "situations" may factor in a person's perception: like "time", "work settings", and "social settings" (Robbins, 2005). In the world of management, increasing numbers of senior managers are recognizing that one of the key routes to improved business performance is implementation of effective strategic plan (Renaissance Solutions Ltd, 1996). This applies even to the insurance industry whose environment dynamism in the current times

is posing many challenges to all insurance companies and therefore calling for effective strategic plans to be formulated and implemented.

### **1.1.2 ISO 9001 Certification**

ISO 9000 is a series of standards and guidelines related to quality management and quality assurance. The International Organization for Standardization is an International standard setting body composed of representatives from various standard bodies. It was founded in 1947 and has continually produced world-wide industrial and commercial standards. The organization is simply referred to as 'ISO' a universal short form which in itself reflects the aims of the organization, to equalize or standardize across cultures. ISO 9001 is maintained by the International Organization for Standardization and is administered by accreditation and certification bodies. The International Organization for Standardization purpose is to facilitate international trade by providing a single set of standards that people everywhere would recognize and respect. First published in 1987 and revised in 1994. ISO 9001: 2008 specifies requirements for a quality management system where an organization need to demonstrate its ability to consistently provide products that meets customer and applicable statutory requirements and also aim to enhance customer satisfaction through the effective application of systems including processes for continual improvement of the system and that assurance of conformity to customer and applicable statutory and regulatory requirements. An ISO certificate is not a once and for all award, but must be renewed at regular intervals recommended by the accrediting body, usually around three years.

The adaptation of a quality management system is a strategic decision of an organization. Implementing ISO 9001 helps organizations to manage their processes with quality. While ISO 9001 does not specify precisely the kind of quality processes, it does require that appropriate quality activities be defined, that processes be documented and that proof be supplied that the company consistently adheres to its quality commitments.. An ISO 9000 registration says to customers: This Company has a system in place to insure that any product or service it sells will consistently meet international standards of quality.

Kenya being a member of the global village needed to align itself with the international business standards, and through the Kenya Bureau of Standard (KBS) it adopted the ISO 9001:2000 Quality Managements Systems. ISO 9001 certification is carried out by the Quality System Accreditation Committee, whose objectives is to promote quality systems ensuring orderliness, accountability and the provision of requisite services. The committee is responsible for maintaining a national register of all certified firms, qualified assessors and registrars bodies. In Kenya four registrars have been listed to undertake certification activities, these include SGS Kenya Ltd, Lloyds registers, Bureau Veritas and Kenya Bureau of Standards (Kioko, 2000). The operations of these registrars is controlled by the National Conformity assessment body known as the Kenya National Accreditation Services (KENAS). The body is in charge of developing and regulating the criteria for registering of assessors, conformity assessment inspectors, auditors and related training service providers.

### **1.1.3 Insurance Industry in Kenya**

Upon gaining independence in 1963 the Government of Kenya saw the need to have some control of the insurance sector. The market was then dominated by branch offices of foreign insurance companies particularly from the United Kingdom and India. The insurance Companies Act of 1960 was based on the UK Legislation. In 1978 the Minister for Finance issued an order stopping the operation of branch offices and all insurance companies had to be locally incorporated. Thereafter in the early 1980's the process of drafting a law to regulate the insurance sector was started by the government with the support of (UNCTAD) United Nations Conference on Trade and Development. In 1986 the insurance Act was enacted with an enforcement date of 1<sup>st</sup> January 1987. The Insurance Act Cap 487 introduced the office of the insurance regulator and stipulated the various requirements for registration of insurance companies, reinsurance companies, Insurance brokers, insurance agents, Loss Adjusters, Assessors, Insurance Surveyors and other service providers. The insurance business can be broadly classified into two General and Life business. According to KPMG's 2007 Kenya Insurance Survey, the general insurance industry in Kenya is mainly driven by four main lines of business; Motor-commercial, Fire-Industrial and Engineering, Motor-Private and Personal Accident. The life insurance industry is mainly driven by two main lines of business; Ordinary life and Superannuation which includes Group Life insurance and Deposit Administration (AKI, 2007).

Kenya is one of the largest insurance markets in Africa. There were 41 licensed insurance companies in 2008. Twenty companies wrote general insurance business only, seven wrote long term business only while fifteen were composite (both life and

general). There were 141 licensed insurance brokers, 19 medical insurance providers (MIPs), 3,356 insurance agents, 5 reinsurers (2 locally incorporated), 17 loss adjusters, 2 claims settling agent, 6 risk managers, 152 loss assessors/investigators and 19 insurance surveyors during the year (AKI, 2009). The insurance industry is tasked with the responsibility of compensating an individual or company to enjoy the same financial position they were before they suffered the loss. Over the years, Kenya's insurance industry has continued to endear itself to the existing and potential customers through new products and a significant improvement on its service delivery platforms, guaranteeing consumers of world-class services delivery. The creation of the Insurance Regulatory Authority (IRA) to replace the office of the Commissioner of Insurance under the Ministry of Finance has not only instilled a sense of confidence in the regulatory framework in the industry but has also injected new approaches to ethics, management and growth of the insurance investments in Kenya.

Practitioners in the industry are also enhancing the quality of their products and services as well as the market penetration strategies. Insurers are not only keen on reclaiming the rightful image of the industry but are further concerned with vilifying and alienating, rogue practitioners who have helped plant the seed of distrust that continues to slow penetration of insurance services in the country (AKI, 2009). In consultation with the regulator, agents' body and member associations, the insurance firms are developing new products that are not only friendly to consumers but which pioneers service delivery in an under-exploited market category (AKI, 2009) The Industry is regulated by the Insurance Act. Cap 487 which is currently under review. The Insurance Amendment Act, 2006 brought the Insurance Regulatory Authority to life. Certain sections of the Insurance Act,

Cap 487 were amended effective 1st May, 2007 to allow for the Conversion of the Department of Insurance into an autonomous Insurance Regulatory Authority.

## **1.2 Statement of the Problem**

Quality is a 'culture'-ISO 9001 'Quality' is an important accreditation to achieve, it is also essential for maximum benefit that information is shared so that the culture of the business ensures that the quality culture is embedded. A list of ISO Certified firms in Kenya shows that only a few insurance companies are ISO certified out of the registered 41 companies operating in Kenya, these study seeks to find out how management in the insurance sector perceive implementation and maintenance of ISO 9001 Certification and their influence on strategic and operational decisions that affect, quality, improved efficiency, higher profit margins, larger market shares, expansion rate, diversification, customer satisfaction and any other factors that affect managements decision towards attainment and upkeep of ISO 9001 certification.

In the past few years, the insurance industry has been frequently on the limelight with failure to meet its obligations to it stakeholders, more so, insurance companies have been placed under statutory management and eventually some wound up due to their failure to compensate their clients as required by law. This has been blamed on poor management, poor investment decisions, and massive fraudulent claims in the sector. Quality services are paramount for the success and survival of all parties involved in insurance business and in meeting customer satisfaction. The industry need to have the support of quality managements systems in place to assist in shortening the pre-compensation period,

compensate within a reasonable time frame, avoid burdening their clients with anxiety after a loss and even loss of business and comfort.

Several studies have been done on the Quality International Standards regarding use of the standard, Kioko (2002), looked at the strategic use of international standards by registered firms in Kenya and concluded that using the standard resulted to internal benefits, improved customer satisfaction and advantages over competitors. Other studies on the use of ISO 9001 as a strategic tool found that certification resulted in improved internal processes, efficiency and customer satisfaction (Ndolo, 2000 and Miyumo, 2003). Studies on employee perception of ISO regarding management issues Wallace (1999), Miguel (2003), Nyawande (2005) and Nyambala (2007) concluded that there exists a gap between perceived and expected performance. There is no study that has been carried out to look into the management perception on implementation and maintenance of ISO 9001 certification among the insurance industries in Kenya and this study fills that void by answering the research question, what is the management perception on implementation and maintenance of ISO 9001 certification among the insurance companies in Kenya?

### **1.3 Research Objective**

The objective of this study was to determine management perception on implementation and maintenance of ISO 9001 certification that influence their strategic and operational decisions in Kenya's insurance industry.

## **1.4 Importance of the Study**

Since no study has been carried out to look into the management perception on implementation and maintenance of ISO 9001 certification among the insurance industries in Kenya, the study made a significant contribution to the existing body of knowledge by filling in this knowledge gap in the field of Quality Management Systems. The study is therefore important to the academicians as the findings may be used as a source of reference for other researchers and future research work on quality management systems. In addition, academic researchers may need the study findings to stimulate further research in this areas of ISO 9001 certification and as such form a basis of good background for further researchers

To the Insurance industry, the study will make managerial contribution to the players in the insurance industry in that the study provides a basis for better understanding of the perception on implementation and maintenance of ISO 9001 certification and also provide insights into the perceived value of certification that influence decision making. The study will provide insights into quality management standards and their effect to the final product and services

To the accrediting bodies, the study will provide important insights into managements thought and the influence they have on strategic and operational decisions on ISO 9001 certification to the insurance industry. This will assist the standard setters in making decisions that will make the standard more acceptable, and which will meet the needs of its customers, enhancing greater importance and value placed on the standard.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter focuses on the review of literature related to this study. The chapter is organized in accordance to the study objective in order to ensure relevance to the research problem. The review was undertaken in order to eliminate duplication of what has been done and provide a clear understanding of existing knowledge base in the problem area..

### **2.2 Theoretical Literature and Concepts**

The literature is based on authoritative, recent and original sources such as journals, books, thesis and dissertations. Current theories and concepts on decision making, framework on quality management and its effects of management and leadership have been critically tackled. ISO requirements, benefits, challenges and criticisms have been reviewed in this chapter. Empirical literature and a knowledge gap have been established.

#### **2.2.1 Strategic and Operational Decisions**

Every organization would like to improve the way it operates, whether by increasing market share, driving down costs, managing risks more effectively or improving customer satisfaction. A quality management system gives the framework needed to monitor and improve performance in any business unit. Strategic decisions determine the organizational relations to its external environment, encompass the entire organization, depend on input from all of functional areas in the organization, have a direct influence on the administrative and operational activities, and are vitally important to long-term health of an organization (Shirley, 1982). According to Hamel & Prahalad (1989),

strategies must be well formulated and implemented in order to attain organizational objectives. Harrison (1996) also clarified that the more ineffective the top management decisions, the more ineffective are the choices made at lower levels of management. Similarly, if top management's strategic choices tend to be successful, it reflects favorably on choices made in other parts of the organization.

Simons and Thompson (1998) refer to three categories of factors that affected strategic decision-making process: environmental factors; organizational factors; and decision-specific factors. Here, environmental factors mean external agents such as national culture, national economic conditions, and industry conditions. Organizational factors refer to organizational structure, organizational culture, structure of decision making bodies, impact of upward influence, and employee involvement.

Decision-specific factors can be explained as time, risk, complexity, and politics. According to Porter (1985) strategists must assess the forces affecting competition in their industry and identify their company's strengths and weaknesses, then strategists can devise a plan of action that may include first, positioning the company so that its capabilities provide the best defense against the competitive force; and/or second, influencing the balance of the forces through strategic moves, thereby improving the company's position; and/or third, anticipating shifts in the factors underlying the forces and responding to them, with the hope of exploiting change by choosing a strategy appropriate for the new competitive balance before opponents recognize it.

Harrison and Pelletier (1998) explained that the real value of a decision surfaced only after the implementation of a decision. In other words, it will not be enough to select a

good decision and effective results will not be attained unless the decision is adequately implemented. Kaplan, (2005) argued that it was essential that strategic level manager's demographic characteristics should have been examined for the formulation and implementation of strategic decisions.

Peng and Litteljohn (2001) mentioned that intended strategies would be implemented as they have been envisioned if three conditions were met. First, those in the organization must understand each important detail in management's intended strategy. Second, if the organization is to take collective action, the strategy needs to make as much sense to each of the members in the organization as they view the world from their own context, as it does to top management. Finally, the collective intentions must be realized with little unanticipated influence from outside political, technological, or market forces.

### **2.2.2 Theoretical Framework on Quality Management**

Quality management is a professional discipline providing a comprehensive and practicable instrument with which continuous assessment and importance of care can be carried out in routine practice. Quality management focuses on the process and not the product. In order to apply the quality management to the insurance industry setup it would firstly, be established whether the insurance industry is an organization in the usual sense of the word. Since quality management effectuates'... the integration of all functions and processes within an organization (James,2006). That the insurance industry can be characterized as an organization is clear from the presence of human beings and also the existence of a common aim and a certain regulated structure.

In explaining corporate behavior institutional theories suggest that external forces persuade organizations to undertake certain strategic actions. Related to the decision to institute a corporate mandate for ISO, researchers indicate that institutional pressures from regulators and market play a particular strong role in encouraging companies to adopt ISO quality control practices (Maer,1993) organization are increasingly mindful of the quality regulations that govern their operations because their inability to adhere to these regulatory pressures may result in a serious penalty and court sanctions. Fear of legal sanction is considered a primary reason why organizations adopt proactive quality strategies. Regulatory pressures have been associated with an organizations environmental decision to implement quality policies and participate in voluntary quality programs, other regulatory pressures relate to companies desire to improve their relationship with regulators because doing so may ensure their long term viability or at lease make their ability to do business easier.

Corporate wide policies for certification therefore, may represent a means by which companies can ‘signal’ to regulators that they are committed to improving their quality performance. Market forces and practices may influence a firms decision to mandate ISO 9001 standards in each of its operational units. These increasing pressures are due to customers becoming savvier about their purchasing and service decisions. customers have a strong role in establishing moral legitimacy and therefore may influence corporate decisions to mandate ISO 9000 certification.

### **2.2.3 Effects of Management and Leadership**

The adaptation of a quality management system is a strategic decision of organization. Strategic decisions create a wave of sub-decisions that must be successfully implemented (Mintzberg et al., 1976). Typically, the manager-leader (middle managers and supervisors) is held accountable for the implementation of these sub-decisions. Sub-decision implementation is defined as a sequence of tasks carefully executed so that a favourable business outcome can be achieved in the medium to short term. It is clear that the particulars of such implementation vary widely from decision to decision, but virtually all decisions require efficient implementation to be successful (Nutt, 1993). Or in other words, a brilliant decision can prove worthless without its efficient implementation. Even the best decisions fail to be implemented due to the inadequate supervision of subordinates, among other reasons. Kenny (1999) emphasizes that those who implement decisions to the best of their ability are usually those who have made them.

The planning process defines the steps to take to formulate what will hopefully be the optimal strategy or solution results in the plan or solution that is to be implemented. To prevent these problems from occurring and maintain overall financial health in these economically difficult times, Organisations must establish a sound, tightly controlled Leadership process. Clearly, no single system is suitable for all insurance companies. Each organisation must tailor its own in light of its objectives and the economic environment it faces.

Basically, Leadership should consist of a recurring three-phase approach: planning, measurement and control, and interpretation, with total process no stronger than its weakest element. All levels of management should participate in each phase, and be totally committed to achieving the planned results. Firm should match its strengths to the opportunities that it has identified, while addressing its weaknesses and external threats. To attain superior profitability, the firm seeks to develop a competitive advantage over its rivals. A competitive advantage can be based on cost or differentiation.

It is critical that leadership follow these steps because the information gathered and decisions made in these phases are the foundation for strategy creation and selection. The statement of the organization's ultimate goal provides the direction to which the strategies should ultimately lead. The critical issues list serves as the specific focus and framework for the activities of the organization and the pattern of these activities (developing and selecting the strategies). External market data and program evaluation results provide critical data to support strategy development. The way in which the strategy is implemented can have a significant impact on whether it will be successful. Strategy implementation is undertaken by different people from strategy formulators. For this reason, care must be taken to communicate the strategy and the reasoning behind it..

#### **2.2.4 ISO 9001: Quality Management Standard Requirements**

The structure of ISO reflects plan-do-check-Action Deming cycle. The ISO 9001; 2000 standard consist of four sets of systematic requirement; management responsibility; resource management; product realization; monitoring, analysis and improvement. Specifically the requirements include a set of procedures that cover all key processes in

the business, monitoring processes to ensure they are effective, keeping adequate records, checking output for defects with appropriate and corrective action where necessary, regularly reviewing individual processes and the quality systems itself for effectiveness and facilitating continual improvements ( standard ISO 9001;2000, Quality Management Systems requirements) Documentation is central to ISO 9000 requirement, for purposes of planning, controlling training and providing objective evidence of compliance documentation is mandatory and hence the paperwork nightmare. Many facilities find that their existing documentation is adequate in most respect. To bring it into full ISO conformance, they implement control procedures to ensure that documentation is available as needed and is reviewed, updated and stored and disposed in a planned, orderly manner (BVQI, 2002). ISO 9000 registration is renewable and enforced by semiannual surveillance visits by the registration body. Registration is surprisingly easy to get and easy to keep, but conformance to ISO9000 is almost impossible to fake. (Johnson,1993). The standard focus on performance documentation and objective evidence

### **2.2.5 Why Firms Seek Certification**

ISO 9001 is by far the worlds most established quality framework, currently used by around 897,000 organizations in 170 countries worldwide, and sets the standard not only for quality management systems but management systems in general, it help all kinds of organizations to succeed through improved customer satisfaction, staff motivation and continual improvement (British Standard Institution, 2009). The number of certified companies in the world has undergone fast evolution since its inception in 1987. Many research papers have tried to analyse the reasons for this growth. A recent study of 514

North American public firms (Anderson, Daly and Johnson,1999) found that managers sought certification as public evidence of their effective quality management practices. In addition to the need to meet regulatory requirements. In some cases, firms seek certification in the believe that it would enhance their market or that it would help improve internal productivity (Anderson, Daly and Johnson,1999). Moreover, implementing ISO 9000 is not without cost. Besides the fee for auditors and consultants, the process generally consumes considerable employee time and effort. Especially as ISO 9000 was the first standard of its type many firms had to develop implement and document their quality management system from scratch.

A review of 50 cases studies of Australian business which has introduced quality assurance and implemented ISO 9000 found that 76% of these companies identified at least one strategic benefit such as improved market share increase sales turnover, winning new customers or differentiation from competitors (Beathie and Sohal,1999). They reported that about half of these firms had sought accreditation primarily in order to satisfy the requirements to tender for government contracts. Anecdotal evidence suggests that firms adopt the standard in order to achieve internal benefits such as quality or productivity improvement or in response to pressure form customers especially foreign customers.

### **2.2.6 Effects of Certification and Perceived Benefits**

Considerable uncertainty exist among practitioners and scholars about the true effects of the standard, given its generic and hence minimally prescriptive nature, Reimann and Hertz (1994) explain the focus of ISO 9000 on conformance in detail and how it differs

from the Baldrige award to much broader focus on competitiveness. The commonly perceived benefit of having an ISO certificate are that it improves the product and service quality, efficiency and productivity, customer confidence and competitive advantage (Quaze, Hong and Meng, 2002). Dalglish (2002) criticizes the ISO process by pointing out that the process requires an inordinate and unnecessary paperwork. He also points out that as the certificate leads to a pass/fail mentality. The ISO 9000 certificate hinders quality and efficiency the very thing it is supposed to encourage. Giguere and Smith (1999) suggest that the 'motto' for ISO 9000 could be 'say what you do, do what you say- and prove it' the effects of the process for certification to ISO 9000 in attaining or improving quality is however, not clear. Several papers show that the result of certification depend upon company motivation in deciding to attain it, Brecka,1994; Meegan and Taylor, 1997; Huarng et al' 1999 Hughes et al.,2000; Sun, 2000; Gotzamani and Tsiotras, 2002, terziovski et al., 2003)

These authors state that companies that obtain ISO 9000 certification motivated by external reasons, but who do not believe that it can really help them to improve quality and efficiency get worse results than those that believe that ISO 9000 can be a good way to reduce quality costs. In this sense, Sun (2000) suggests that in order to attain benefits from ISO 9000 certification, this norm must be seen as a way toward total quality management.. This is consistent with findings of other studies, which suggest that many companies seek ISO 9000 certification primarily for reasons of external strategic advantage.

### **2.2.7 Challenges of post- implementation review**

After registration to ISO 9000 this is just the beginning and not the end of the process (Johnson, 1993). From that point forward the facility and registrar are in effect married, that is the ISO certified company and the accreditation body shall be working together for as long as a company wishes to retain its certificate. Outside agents pose a challenge in post implementation review. Unlike other quality management application which do not involve firms outside their facility, ISO 9000 registration requires involvement with outside accredited agents, called registrars. According to Gower(1994), many companies regard the arrival of an independent assessor with some anxiety, and fathom a destructive interference and connecting their presence with ‘big brother implication’. Documentation is central to ISO 9000 requirement, for purposes of planning, controlling training and providing objective evidence of compliance documentation is mandatory and hence the paperwork nightmare. Many facilities find that their existing documentation is adequate in most respect. To bring it into full ISO conformance, they implement control procedures to ensure that documentation is available as needed and is reviewed, updated and stored and disposed in a planned, orderly manner (BVQI, 2002). ISO 9000 registration is renewable and enforced by semiannual surveillance visits by the registration body. Registration is surprisingly easy to get and easy to keep, but conformance to ISO9000 is almost impossible to fake. (Johnson,1993). The standard focus on performance documentation and objective evidence

There is a requirement for the senior staff to remain involved in the continuous process of motivating employees in the quality discipline. A lot of time is required to be input by the senior staff before the surveillance audits. According to BVQI (2002), registration is easy

to keep, as long as the quality system remains consistent with the standard. But registration can be suspended for serious non conformance, misuse of registration logo. The contribution and commitment of the Chief Executive Officers must be emphasized and he is meant to appoint a quality committee manager. He needs to remain committed to the process by chairing in quality committee meetings to review company procedures and methods in conjunction with senior staff (Summer, 2002). Senior auditors who have previously not been audited, feel threatened and sometimes react by suggesting that they are above the audit (Summer, 2000).

### **2.2.8 Criticism of ISO Quality Standards**

A common criticism of ISO quality standard is the amount of money, time and paperwork required for registration. According to Baines (2000) in ISO 9000, (2007) opponents claim that it is only for documentation. Proponents believe that if a company has documented its quality systems, than most of the paperwork has already been completed. Wade (2002) argues that ISO 9001 is effective as a guideline but that promoting it as a standard helps to misled companies into thinking that certification means better quality undermining the need for an organization to set its own quality standards. Total blind reliance on the specification of ISO 9000 does not guarantee a successful quality system. The quality management system created is meant to certify the processes and the system of an organization and not the product or service itself. ISO 9000 standard do not certify the quality of the product service. According to Simmons (1999), a certified company can still have substandard processes and products because certification does not tell a company how to design more efficient and reliable products.

The standard is seen as especially prone to failure when a company is interested in certification before quality. Certification is in fact based on customer contractual requirements rather than a desire to actually improve quality. ISO 9000 can be implemented without certification simply for the quality benefits that can be achieved. (ISO 9000, 2007). Companies should utilize the ISO 9000 model as a bench mark to assess the adequacy of its quality programmes. ISO 9000 may improve the environmental performance of certified companies which according to King and Lenox (2002) is measured in terms of scrap generation. Eicher (1992) observes that ISO 9000 is not a total quality system and that its adaptation will not ensure leading edge quality.

Bad managers still manage at arm's length, using paper reports rather than knowing what is happening on the factory floor. ISO 9000 can reinforce this behavior. Instead of being seen as an opportunity to improve things, audit of ten become quite confrontational in structure. Many company only register to ISO 9000 because they are forced to by the market place. Whether or not ISO 9000 is in fact appropriate to their business ISO 90012000 does not give too much practical advice but instead focuses on general principles. In order to create a standard applicable to almost any kind of org, specific requirements and tools were avoided whenever possible. This is one of the reasons for the proliferation of industry- specific standards which are more practical and give clear guidance about what quality tools have to be used and when.

### **2.2.9 Empirical Literature**

There exist vast knowledge on the Quality International Standards regarding use of the standard, Kioko (2002), looked at the strategic use of international standards by registered firms in Kenya. these study was general in context and did not narrow down to a specific ISO standard, he however, concluded that using the standard resulted to internal benefits, improved customer satisfaction and advantages over competitors.

Other studies, Ndolo (2000) Miyumo (2003). on the use of ISO 9001 as a strategic tool found that certification resulted in improved internal processes, efficiency and customer satisfaction. Studies on employee perception of ISO regarding management issues eg reward and benefits Wallace, (1999), Miguel (2003), Nyawande (2005), Nyambala (2007) concluded that there exist a gap between perceived and expected performance.

The heightened focus on customers and market forces has accorded quality a new role and importance. It is increasingly viewed as an essential attribute and approach for the stability , continuity and growth of businesses (Raju, 2002). Quality offers strategic advantages and is one vital area that a company must excel. Cole (1997) argues that no business strategy will succeed fully in today's competitive conditions unless it gives adequate priority to quality issues. This is reaffirmed by Oakland (2000) who advances that consumers nowadays place a higher value on quality than loyalty on home based producers and price is no longer the determining factor in consumer choice.

### **2.2.10 Knowledge Gap**

In the past few years, the insurance industry has been frequently on the limelight with failure to meet its obligations to its stakeholders, more so, insurance companies have been placed under statutory management and eventually some wound up due to their failure to compensate their clients as required by law. This has been blamed on poor managements, poor investment decisions, and massive fraudulent claims in the sector. Every organization would like to improve the way it operates, whether by increasing market share, driving down costs, managing risks more effectively or improving customer satisfaction. A quality management system gives the framework needed to monitor and improve performance in any business unit. Strategic decisions determine the organizational relations to its external environment, encompass the entire organization, depend on input from all of functional areas in the organization, have a direct influence on the administrative and operational activities, and are vitally important to long-term health of an organization (Shirley, 1982).

Following the background of this study, is it then necessary for management in the insurance industry to adapt and maintain a quality management system? There is no study that has been carried out to look into the management perception on implementation and maintenance of ISO 9001 certification among the insurance industries in Kenya and this study sought to fill the void.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter is an introduction of the research methodology and it entails the research design used, population, and data collection methods and data analysis. The objective of this study was to establish the strategic and operational decisions as well as any other factors that influence the management's perception of ISO 9000 certification in the insurance sector in Kenya.

### **3.2 Research Design**

The research design employed in this study is a descriptive survey. Churchill (1991) notes that a descriptive design can be used when the purpose is to describe characteristics of certain goals, estimate the proportion of people who behave in a certain way and make specific predictions. This method is preferred because it allows for a description of what, who, where and how the various management approaches are utilized in the insurance industry.

The design was used successfully in the past in studies related to perception by Nyamwade (2005), Ngahu (2007), Atieno (2007). In this context, descriptive survey enhanced representativeness as it included all the companies within the insurance industry a feat which research designs such as case studies would have fallen short-of.

### **3.3 Population**

The population of the study included all the 41 insurance companies registered in Kenya according to the Association of Kenya Insurers (AKI, 2008). The head of strategy in each of the insurance companies was interviewed therefore, a total of 41 managers. All these insurance companies have their headquarters within Nairobi and its environs which gave easy access to management, who are the main respondents.

### **3.4 Data Collection**

In this study, emphasis was given to primary data. The primary data was collected using a semi structured questionnaire. Closed ended questions were used in an effort to conserve time and money as well as to facilitate easier analysis as they are in immediate usable form and open-ended questions were used so as to encourage the respondent to give an in-depth and felt response.

The drop and pick method was used to administer the questionnaire. This would give the respondents a chance to fill the questionnaire during their free time. Envelops were provided for confidentiality purposes. These sealed envelops were then be picked after one week after delivery. The questionnaire was also availed via E-mail so as to give the respondents a choice.

The questions were divided into two sections, part A would be used to collect general information on company profiles. Part B aimed at collecting data that addresses the objective of the study. A 5-point Likert scale was used to rate the factors that influence management perception on implementation and maintenance of ISO 9001 certification in the insurance industry.

### **3.5 Data Analysis**

This study is modeled on a descriptive framework and therefore, descriptive statistics was used to analyze the data. Data in part A of the questionnaire was analyzed by use of frequency tables while the data of the Likert scale scores in part B of the questionnaire was analyzed by use of frequency tables, mean, standard deviation and coefficient of variation for each variable.

Means of the score of the Likert scale were used to determine the weighting factor of the management perceptions while the coefficient of variation was used to assess the extent of agreement by the different managers on their perception on implementation and maintenance of ISO 9001 certification

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This chapter presents the data findings, analysis and interpretation on management perception on implementation and maintenance of ISO 9001 certification among insurance companies in Kenya. The research was conducted through questionnaires which were distributed to one head of strategy from each the 41 insurance companies making an aggregate of 41 questionnaires. However, only 37 questionnaires were returned adequately fill-in making a response rate of 90.2%. This commendable response rate was arrived at through rigorous administration of questionnaires; the researcher personally administered the questionnaire then made frequent visits and calls to remind the respondents to fill-in the questionnaires.

### **4.2 Profile of Insurance Companies and Respondents**

This section presents the general information concerning the insurance companies and the respondents. This is aimed at assessing the distribution of respondents and insurance companies across several demographic characterization and general information thereby assess the suitability of the data obtained.

#### **4.2.1 General Information on Insurance Companies**

This subsection presents the insurance companies distribution with regards to whether they are ISO certified or not, duration they have been ISO certified, their mission and operational strategies and stakeholder involvement in decision making.

**Table 4.1: Whether the Insurance Company is ISO 9001 Certified**

<b>Choice</b>	<b>Frequency</b>	<b>Percentage</b>
No	35	94.6
Yes	2	5.4
<b>Total</b>	<b>37</b>	<b>100</b>

Source: Interview data.

The study sought to establish whether the respondent's organization was ISO certified, the data findings were presented in Table 4.1. From the table, 94.6% of the respondent stated that the insurance company they worked at was not ISO certified while 2.7% of the respondents stated to the contrary. This depicts that majority of the insurance companies are not ISO certified with an exception of a few.

**Table 4.2: Duration the Company has been ISO Certified**

<b>Duration</b>	<b>Frequency</b>	<b>Percentage</b>
None	35	94.6
1 Year of Less	0	0
2 to 3 Years	1	2.7
4 to 5 Years	1	2.7
More than 5 Years	0	0
<b>Total</b>	<b>37</b>	<b>100</b>

Source: Interview data.

Table 4.2 above shows the duration the insurance companies had been ISO certified. The findings show that of the two companies that had been ISO certified, one had been ISO certified for 2 to 3 years while the other had been ISO certified for 4 to 5 years. This give

a picture of ISO certification of insurance companies having not taken long or a new concept as the first company was ISO certified within the past 5 years.

**Table 4.3: Mission Statement and Operational Strategy**

<b>Facts</b>	<b>No</b>	<b>Yes</b>	<b>Total</b>
Whether the organization has a mission statement	0	100	100
Whether the statement is a written statement	0	100	100
Whether the organization has developed strategies for operation	0	100	100

Source: Interview data.

The respondents were asked to state whether their organization had a mission statement, whether it was written and whether the organization has developed strategies for operation. The data finding were recorded in the Table 4.3. According to the table the entire respondents stated that their organizations had a mission statement which was written and that the organization had developed strategies for operation. This shows that all the Insurance firms have mission statements which is written and that they have developed strategies for operation

**Table 4.4: Extent to Which Stakeholders are Involved in Decision Making**

<b>Extent</b>	<b>Never</b>	<b>Seldom</b>	<b>Occasionally</b>	<b>Frequently</b>	<b>Always</b>	<b>Mean</b>	<b>STDEV</b>
Top Management	0	0	4	16	17	4.4	0.68
Middle Management	0	0	6	27	4	3.9	0.52
Lower Management	0	3	24	8	2	3.2	0.68
Supervisors	0	3	29	5	0	3.1	0.47
Other Staffs	4	25	8	0	0	2.1	0.57
Outside Consultant	4	19	14	0	0	2.3	0.65

Source: Interview data.

The study sought to establish the involvement of stakeholders in decision making in the organization. The study used Likert scale in collecting and analyzing the data on a scale of 1 to 5 with 1 point being assigned to Never and 5 points to always. The results were then presented in table 4.5 being the scales ranged from 1 to 5 making an interval of 4 between the two extremes. Therefore the following decision keys can be derived:

- 1 Never = Never Exhibit (1 – 1.8)
- 2 Seldom = Very Rarely Exhibit (1.81 – 2.6)
- 3 Occasionally = Rarely Exhibit (2.61 – 3.4)
- 4 Frequently = Exhibits (3.41 – 4.2)
- 5 Always = Always Exhibit (4.21 – 5)

From the finding, involvement of the top management in decision making had a mean of 4.4 and a standard deviation of 0.68, middle management had a mean of 3.9 and a standard deviation of 0.52, lower management had a mean of 3.2 and a standard deviation

of 0.68, supervisors had a mean of 3.1 and a standard deviation of 0.47, outside consultants had a mean of 2.3 and a standard deviation of 0.65 while the other staffs had a mean of 2.1 and a standard deviation of 0.57. This illustrates that insurance companies involve the top management, middle management, lower management, supervisors, outside consultants and other staffs in the decision making that order of importance.

#### 4.2.2 General Information on Individuals

The sub-section presents demographic characteristic of the respondents with regards to their level of education and knowledge on ISO certification. The purpose of this is to show the reliability of the information obtained from the respondents based on whether they conceptualized the questions asked or not. The study analyzed the same by use of absolute and relative frequencies.

**Table 4.5: Level of Education**

Level	Frequency	Percentage
Diploma	5	13.5
Undergraduate	20	54.1
Postgraduate	12	32.4
<b>Total</b>	<b>37</b>	<b>100</b>

Source: Interview data.

To the question of education level of the respondent, the data finding was presented in the Table 4.4. According to the table, 54.1% of the respondents were at least undergraduates, 32.4% of the respondents were post graduates while 13.5% of the respondents had a diploma. This depicts that majority insurance company's management staff were at least

graduate which could point to their competence in advocating for the implementation and maintenance of ISO 9001 certification.

**Table 4.6: Knowledge of ISO 9001 Quality Management Systems**

<b>Choice</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	36	97.3
No	0	0
No Response	1	2.7
<b>Total</b>	<b>37</b>	<b>100</b>

Source: Interview data.

The study required that the respondent state whether they were familiar with ISO 9001 Quality Management Systems, the results of which are presented in Table 4.5. According to the table 97.3% of the respondents were familiar with ISO 9001 Quality Management Systems while 2.7% of the respondents did not respond to this question. This illustrates that majority of the management staff in insurance sector were familiar with ISO 9001 Quality Management Systems.

### **4.3 Perception on ISO Certification**

In accordance with the main objective, the study sought to establish the manager's perception on implementation and maintenance of ISO 9001 certification in Insurance Industry. Therefore, data findings were organized in three subsections: managers' perception on effect of ISO certification, implementation and maintenance of the same and challenges in implementing and maintaining ISO 9001 certification.

### **4.3.1 Effect of ISO Certification**

The study required the respondents to state the degree to which various issues being investigated are indicative of ISO 9001 certification. The question was aimed at evaluating the effect of the various views being investigated on ISO Certification.

To capture the data the study used likert scale in collecting the data on a scale of 1 to 5 with 1 point being assigned to no extent at all and 5 points to a very great extent. The results were then presented in table 4.7 being the scales ranged from 1 to 5 making an interval of 4 between the two extremes and the the following decision keys can be developed:

- 1 Completely Unnecessary = Not indicative (1 – 1.8)
- 2 Not important = Indicative to very low extent (1.81 – 2.6)
- 3 Somewhat important = Somewhat Indicative (2.61 – 3.4)
- 4 Very important = Indicative (3.41 – 4.2)
- 5 Extremely important = extremely indicative (4.21 – 5)

The data analysis was undertaken by allocating weights/points to the different variables with the Likert scale computing weighted mean for each factor.

**Table 4.7: Views on the Effect of ISO Certification**

<b>Effects</b>	<b>Completely Unnecessary</b>	<b>Not Important</b>	<b>Somewhat Important</b>	<b>Very Important</b>	<b>Extremely Important</b>	<b>Mean</b>	<b>STDEV</b>
Increase customer satisfaction	0	0	2	2	33	4.8	0.5
Improve business performance and risk management	0	0	0	11	26	4.7	0.46
Improves efficiency, streamline operations and reduces waste	0	0	0	19	18	4.5	0.51
Embrace brand reputation and improved corporate image	1	0	0	23	13	4.3	0.62
Attract investment, remove trade barriers and enhance entry to access global market	0	1	12	7	17	4.1	0.95
Improve internal communication and raise staff motivation	0	3	7	25	2	3.7	0.7
Increase competitive advantage that differentiate from the competitors	0	3	15	15	4	3.5	0.8
Need to increase regulatory compliance	0	6	0	21	10	3.9	0.97

Source: Interview data.

According to the findings shown in table 4.7, increase customer satisfaction had a mean of 4.8 and a standard deviation of 0.50, improve business performance and risk management had a mean of 4.7 and a standard deviation of 0.46, improves efficiency, streamline operations and reduces waste had a mean of 4.5 and a standard deviation of 0.51, embrace brand reputation and improved corporate image had a mean of 4.3 and a standard deviation of 0.62, Attract investment, remove trade barriers and enhance entry to access global market had a mean of 4.1 and a standard deviation of 0.95, need to increase regulatory compliance had a mean of 3.9 and a standard deviation of 0.97, improve internal communication and raise staff motivation had a mean of 3.7 and a standard deviation of 0.70 and Increase competitive advantage that differentiate from the competitors had a mean of 3.5 and a standard deviation of 0.80. This deduces that

increase customer satisfaction, , improve business performance and risk management, improves efficiency, streamline operations and reduces waste, embrace brand reputation and improved corporate image, attract investment, remove trade barriers and enhance entry to access global market, need to increase regulatory compliance, improve internal communication and raise staff motivation and increase competitive advantage that differentiate from the competitors are indicative of ISO 9001 certification in a reducing order of importance.

The results found are in tandem with the fact that managers seek certification as public evidence of their effective quality management practices (Anderson, Daly and Johnson, 1999) hence customer satisfaction. In some cases, firms seek certification in the believe that it would enhance their market or that it would help improve internal productivity (Anderson, Daly and Johnson, 1999) Improved market share that increases sales turnover, winning new customers or differentiation from competitors (Beathie and Sohal,1999) was also an effect of ISO certification. The commonly effect of having an ISO certificate were that it improves the product and service quality, efficiency and productivity, customer confidence and competitive advantage.

The study further, analyzed the factors that had the highest and the lowest means from table 4.7. The intention was to bring out clearly the frequency distribution of the responses along the five variables (completely unnecessary, not important, somewhat important, very important and extremely important). These are presented from table 4.8 to 4.11.

**Table 4.8: Increase Customer Satisfaction**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage</b>
Completely unnecessary	0	0
Not important	0	0
Somewhat important	2	5.4
Very important	2	5.4
Extremely important	33	89.2
<b>Total</b>	<b>37</b>	<b>100</b>

Source: Interview data.

From the findings, majority of the respondents stated that; increasing customer satisfaction' was extremely important as shown by 89.2% while 5.4% of the respondents stated that it was either very important or somewhat important.

**Table 4.9: Improve Business Performance and Risk Management**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage</b>
Completely unnecessary	0	
Not important	0	0
Somewhat important	0	0
Very important	11	29.7
Extremely important	26	70.3
<b>Total</b>	<b>37</b>	<b>100</b>

Source: Interview data.

According to the findings, majority of the respondents stated that; Improve business performance and risk management was extremely important as shown by 70.3%, while 29.7% of the respondents stated that it was very important.

**Table 4.10: Improve Internal Communication and Raise Staff Motivation**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage</b>
Completely unnecessary	0	0
Not important	3	8.1
Somewhat important	7	18.9
Very important	25	67.6
Extremely important	22	59.5
<b>Total</b>	<b>37</b>	<b>100</b>

Source: Interview data.

From the findings, 67.6% indicated that the statement “Improve internal communication and raise staff motivation” as an indicative of ISO 9001 certification was very important, 59.5% extremely important 18.9% somewhat important and 8.1% not important.

**Table 4.11: Increase Competitive Advantage That Differentiate From The Competitors**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage</b>
Completely unnecessary	0	0
Not important	3	8.1
Somewhat important	15	40.5
Very important	15	40.5
Extremely important	4	10.8
<b>Total</b>	<b>37</b>	<b>100</b>

On the question of increasing competitive advantage that differentiate from the competitors, 40.5% of the respondents were of the opinion that it was either somewhat important or very important, 10.8% stated that it was extremely important while 8.1% said that it was not important.

### **ISO Certification Impact on the Performance and productivity**

The respondents were asked to indicate how acquiring ISO certification has impacted on the performance and productivity of their insurance companies. All the respondents indicated that ISO certification has had positive impact on the performance. This points to the relevance of the ISO certification to the insurance companies for sustained competitiveness.

#### **4.3.2 Implementation of ISO Certification**

The study required the respondents to state “from an industry perspective” the extent to which various factors affected decisions made in the insurance sectors that influenced implementation and maintenance of ISO 9001 certification of Quality Management Systems. The question was aimed at assessing the factors that affect implementation and maintenance of ISO certification in the insurance companies.

The study used likert scale in collecting the data on a scale of 1 to 5 with 1 point being assigned to no extent at all and 5 points to a very great extent. The results were then presented in table 4.12. The data analysis was undertaken by allocating weights/points to the different variables as discussed in section 4.3.1 with the Likert scale computing weighted mean for each factor.

**Table 4.12: Factor Affecting ISO Implementation and Maintenance Decisions**

<b>Factors</b>	<b>Not at All</b>	<b>Small Extent</b>	<b>Moderate Extent</b>	<b>Large Extent</b>	<b>Very Large</b>	<b>Mean</b>	<b>STDEV</b>
Ownership of an insurance company	1	4	13	13	6	3.5	0.99
Top management who do not actively run the company	1	0	13	17	6	3.7	0.84
Need to avoid meeting their obligation therefore leaving room for loopholes	0	3	16	17	1	3.4	0.69
Lack of professionalism in the industry	0	2	22	9	4	3.4	0.76
Top management unwillingness to commit funds to a continuous process	0	6	10	15	6	3.6	0.96
Lack of long term strategies for long term benefits	0	0	14	20	3	3.7	0.62
The organization is small in size and does not need quality systems	3	9	21	4	0	2.7	0.78
Need to keep off from continuous monitoring and auditing "Big brother effect"	0	8	16	12	1	3.2	0.8
Avoiding to follow guidelines and laid down rules to safe guard against own errors and mistakes	0	12	12	9	4	3.1	1
Lack of or little power by the Insurance Regulatory Authority	2	12	9	8	6	3.1	1.2
A history of fraudulence in the industry therefore difficult to curb the menace	2	9	12	7	7	3.2	1.18
It is important to our industry	13	11	9	0	4	2.2	1.25
It is highly upheld in Kenya and in the third world countries	8	8	11	8	2	2.7	1.2

Source: Interview data.

From the data findings as presented in table 4 .12, top management who do not actively run the company and lack of long term strategies for long term benefits both had a mean of 3.7 and standard deviation of 0.84 and 0.62 respectively, top management unwillingness to commit funds to a continuous process had a mean of 3.6 and standard deviation of 0.96, ownership of an insurance company had a mean of 3.5 and standard deviation of 0.99, need to avoid meeting their obligation therefore leaving room for

loopholes and lack of professionalism in the industry had a mean of 3.4 and standard deviation of 0.69 and 0.76 respectively, need to keep off from continuous monitoring and auditing "Big Brother Effect" and a history of fraudulence in the industry therefore difficult to curb the menace both had a mean of 3.2 and standard deviation of 0.80 and 1.18 respectively, avoiding to follow guidelines and laid down rules to safe guard against own errors and mistakes and lack of or little power by the Insurance Regulatory Authority both had a mean of 3.1 and standard deviation of 1.00 and 1.20 respectively, the organization is small in size and does not need quality systems and it is highly upheld in Kenya and in the third world countries both had a mean of 2.7 and standard deviation of 0.78 and 1.20 respectively, while it is important to our industry had a mean of 2.2 and standard deviation of 1.25.

From the findings it can be deduced that top management who do not actively run the company, lack long term strategies for long term benefits, top management unwillingness to commit funds to a continuous process, ownership of an insurance company, need to avoid meeting their obligation therefore leaving room for loopholes, lack of professionalism in the industry, need to keep off from continuous monitoring and auditing "Big Brother Effect", a history of fraudulence in the industry therefore difficult to curb the menace, avoiding to follow guidelines and laid down rules to safe guard against own errors and mistakes, lack of or little power by the Insurance Regulatory Authority, the organization is small in size and does not need quality systems and it is highly upheld in Kenya and in the third world countries are the factors that that affects decision making in insurance sector that influence implementation and maintenance of ISO 9001 certification of Quality Management Systems.

These findings are in line with the requirements/factors for ISO certification which consist of four sets of systematic requirement; management responsibility; resource management; product realization; monitoring , analysis and improvement.

The study analyzed the factor affecting ISO implementation and maintenance decisions already presented in table 4.12. From the table, the first two factors with highest and lowest means were further analyzed from table 4.13 to 4.16.

**Table 4.13: Top Management who do not Actively Run the Company**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage</b>
Not at all	1	2.7
Small extent	0	0
Moderate extent	13	35.1
Large extent	17	45.9
Very large extent	6	16.2
<b>Total</b>	<b>37</b>	<b>100</b>

Source: Interview data.

The study sought to establish the extent to which top management who do not actively run the company influenced implementation and maintenance of ISO 9001 certification of quality management systems. From the results 45.9% of the respondents said that top management who do not actively run the company influenced the same to a large extent,35.1% to moderate extent,16.2% to very large extent while a small proportion of the respondents said it did not influence it at all.

**Table 4.14: Lack of long term strategies for long term benefits**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage</b>
Not at all	0	0
Small extent	0	0
Moderate extent	14	37.8
Large extent	20	54.1
Very large extent	3	8.1
<b>Total</b>	<b>37</b>	<b>100</b>

Source: Interview data.

The study sought to establish the extent to which Lack of long term strategies for long term benefits influenced implementation and maintenance of ISO 9001 certification of quality management systems

From the results 54.1% of the respondents said that top management who do not actively run the company influenced the same to a large extent, 37.8% to moderate extent, 8.1% to very large extent.

**Table 4.15: Need to Keep Off From Continuous Monitoring and Auditing**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage</b>
Not at all	0	0
Small extent	8	21.6
Moderate extent	16	43.2
Large extent	12	32.4
Very large extent	1	2.7
<b>Total</b>	<b>37</b>	<b>100</b>

Source: Interview data.

The study also sought to establish the extent to which need to keep off from continuous monitoring and auditing "Big brother effect" influenced implementation and maintenance of ISO 9001 certification of quality management systems. According to the findings,

From the results 43.2% of the respondents said that it influenced implementation to a moderate extent, 32.4% to a large extent and 21.6% to a small extent

**Table 4.16: Importance of ISO Certification to Insurance Industry**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage</b>
Not at all	13	35.1
Small extent	11	29.7
Moderate extent	9	24.3
Large extent	0	0
Very large extent	4	10.8
<b>Total</b>	<b>37</b>	<b>100</b>

The study sought to establish the extent to which importance of ISO certification as a factor influencing its implementation and maintenance. From the results 35.1% of the respondents said it did not influence it that at all implementation and maintenance of ISO 9001 certification. Table 4.16 shows that 29.7% regarded the managements' perception concerning the importance of ISO certification as affecting implantation of the same to some extent, 24.3% to a moderate extent while a small proportion of the respondents (10.8%) said it influenced the same to a very large extent.

### 4.3.3 Challenges in Implementing and Maintaining of ISO Certification

The study required the respondents to state the extent to which different aforementioned factors were challenges in implementing and maintaining ISO certification in their organization. The purpose of the question was to assess the extent to which different factors emerged as challenges in implementing and maintaining ISO certification in their organization.

The study also used a Likert scale in collecting the data on a scale of 1 to 5 with 1 point being assigned to no extent at all and 5 points to a very great extent. The results were then presented in table 4.17. The data analysis was undertaken by allocating weights/points to the different variables with the Likert scale computing weighted mean for each factor.

Table 4.17: Challenges in Implementing and Maintaining of ISO Certification

Challenges	Not at All	Small Extent	Moderate Extent	Large Extent	Very Large Extent	Mean	STDE V
Time taken to prepare and uphold the certification (Implementation and maintenance)	4	5	5	9	13	3.8	0.81
Cost of registration and continuous surveillance	2	10	11	8	5	3.6	1.40
Minimal or lack of top management support	5	10	14	4	3	3.1	1.14
Lack of appreciation by Kenyan customers	8	6	16	3	3	2.7	1.11
Unfair competition from unregistered firms	6	6	10	7	7	2.6	1.17
Need for trained staff to maintain ISO records and goal setting	2	8	18	8	36	3.1	1.36
Problem with adjusting the organizations status quo to meet ISO 9001 requirements		8	18	10	36	2.9	0.82
Poor monitoring and evaluation with need for continuous and continual improvement	2	2	23	6	3	3.1	0.71
Organization culture	1	4	13	13	6	3.2	0.88

Source: interview data

From the study, the researcher found out that; time taken to prepare and uphold the certification (Implementation and maintenance) had a mean of 3.8 and a standard deviation of 0.81, cost of registration and continuous surveillance had a mean of 3.6 and a standard deviation of 1.40, organization culture had a mean of 3.2 and a standard deviation of 0.88, minimal or lack of top management support, need for trained staff to maintain ISO records and goal setting and poor monitoring and evaluation with need for continuous and continual improvement all had a mean of 3.1 and standard deviation of 1.14, 1.36 and 0.71 respectively, problem with adjusting the organizations status quo to meet ISO 9001 requirements had a mean of 2.9 and a standard deviation of 0.82, lack of appreciation by Kenyan customers had a mean of 2.7 and a standard deviation of 1.11, and unfair competition from unregistered firms had a mean of 2.6 and a standard deviation of 1.17.

This depicts that time taken to prepare and uphold the certification (Implementation and maintenance), cost of registration and continuous surveillance, organization culture, minimal or lack of top management support, need for trained staff to maintain ISO records and goal setting, poor monitoring and evaluation with need for continuous and continual improvement, problem with adjusting the organizations status quo to meet ISO 9001 requirements, and unfair competition from unregistered firms are challenges that face the insurance companies in Kenya in that order of decreasing order of importance in implementing and maintaining ISO certification.

The findings concurred with the fact that outside agents pose a challenge in post implementation review. Unlike other quality management application which does not involve firms outside their facility, ISO 9000 registration requires involvement with

outside accredited agents, called registrars. According to Gower (1994), many companies regard the arrival of an independent assessor with some anxiety, and fathom a destructive interference and connecting their presence with ‘big brother implication. To emphasis of the significant factors that stood out in table 4.17, the study further analyzed the two factors with highest and lowest means.

**Table 4.18: Time Taken To Prepare and Uphold the Certification**

	<b>Frequency</b>	<b>Percentage</b>
Not at all	4	10.8
Small extent	5	13.5
Moderate extent	5	13.5
Large extent	9	24.3
Very large extent	13	35.1
<b>Total</b>	<b>37</b>	<b>100</b>

The study investigated the extent to which “time taken to prepare and uphold the certification (Implementation and maintenance)” acted as a challenge in Implementing and Maintaining of ISO Certification. According to the findings, majority of the respondents stated that time was to a large extent affecting challenges in Implementing and Maintaining of ISO Certification as 35.1 and 24.3 percents represented the responses on ‘very large’ and ‘large extent respectively’

**Table 4.19: Cost of Registration and Continuous Surveillance**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage</b>
Not at all	2	5.4
Small extent	10	27.0
Moderate extent	11	29.7
Large extent	8	21.6
Very large extent	5	13.5
<b>Total</b>	<b>37</b>	<b>100</b>

Source: Interview data.

The study investigated the extent to which “cost of registration and continuous surveillance” acted as a challenge in Implementing and Maintaining of ISO Certification. According to the study, 29.7% of the respondents agreed to a small extent, 27.0% agreed to a small extent 21.6% agreed to a large extent and 13.5% agreed to a very large extent.

**Table 4.20: Minimal or Lack of Top Management Support**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage</b>
Not at all	5	13.5
Small extent	10	27.0
Moderate extent	14	37.8
Large extent	4	10.8
Very large extent	3	8.1
<b>Total</b>	<b>37</b>	<b>100</b>

Source: Interview data.

The study investigated the extent to which minimal or lack of top management support acted as a challenges in Implementing and Maintaining of ISO Certification. According to the findings, majority of the respondents were of the opinion that “minimal or lack of top management support” acted as a challenges in Implementing and Maintaining of ISO Certification to a moderate extent (37.8%), 27% of the agreed to a small extent while 8.1% agreed to a very large extent.

**Table 4.21: Unfair Competition from Unregistered Firms**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage</b>
Not at all	6	16.2
Small extent	6	16.2
Moderate extent	10	27.0
Large extent	7	18.9
Very large extent	7	18.9
<b>Total</b>	<b>37</b>	<b>100</b>

Source: Interview data.

From the results obtained, 27.0% agreed that “unfair competition from unregistered firms” acted as a challenge in Implementing and Maintaining of ISO Certification to a moderate extent, 18.9% to either a very large extent or a large extent while 16.2% agreed to no extent.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presents a summary of the key findings from the previous chapter, conclusions based on the findings and recommendations there-to. The chapter is structured into summary of findings, conclusions, recommendations, limitations, implication on policy and practice and areas for further studies.

### **5.2 Summary of Findings**

The study showed that majority of insurance company's management were at least graduates (86.5%) which points to their competence in advocating for the implementation and maintenance of ISO 9001 certification. It also showed that majority of the management in the insurance firms (97.3) were familiar with ISO 9001 Quality Management Systems.

The study indicated that majority of the insurance companies were not ISO certified and that all the Insurance firms have mission statements which is written and that they have developed strategies for operation. According to this study insurance companies involve the top management, middle management, lower management, supervisors, outside consultants and other staffs in the decision making.

This study illustrates that increase customer satisfaction, improve business performance and risk management, improves efficiency, streamline operations and reduces waste are indicative of ISO 9001. Embracing brand reputation and improving corporate image,

attracting investment, removing trade barriers and enhance entry to access global market are also indicative of ISO 9001 certification. Need to increase regulatory compliance, improve internal communication and raise staff motivation and increase competitive advantage that differentiate from the competitors are indicative of ISO 9001 certification.

In this study it is evident that top management who do not actively run the company, lack of long term strategies for long term benefits, top management unwillingness to commit funds to a continuous process, ownership of an insurance company, need to avoid meeting their obligation therefore leaving room for loopholes, lack of professionalism in the industry, need to keep off from continuous monitoring and auditing "Big brother effect", a history of fraudulence in the industry therefore difficult to curb the menace, avoiding to follow guidelines and laid down rules to safe guard against own errors and mistakes, lack of or little power by the Insurance Regulatory Authority, the organization is small in size and does not need quality systems and it is not highly upheld in Kenya and in the third world countries are the factors that that affects decision making in insurance sector that influence implementation and maintenance of ISO 9001 certification of Quality Management Systems.

### **5.3 Conclusion**

The adaptation of a quality management system such as ISO 9001 is a strategic decision of an organization as it helps organizations to manage their processes with quality. From the findings, it can be concluded that ISO certification in Insurance industry increase customer satisfaction, improve business performance and risk management, improves efficiency, streamline operations and reduces waste. Besides the afore-mentioned, ISO

certification also enhances brand reputation, improving corporate image as well as attracting investment. It was found that issues pertaining to the ISO certification is given an all inclusive approach as the ISO implementation and maintenance decisions involves top, middle and lower management. Supervisors, regular staff as well as outsourced consultancy services are also considered. All inclusive approach ensures that change is not resisted as both the management and regular staff would embrace the same.

The study concludes that there are several factors perceived by the management as affecting implementation of ISO certification. These are lack of long term strategies for long term benefits, the organization is small in size and does not need quality systems and that the standard is not highly upheld in Kenya and in the third world countries are the factors that affects decision making in insurance sector that influence implementation and maintenance of ISO 9001 certification of Quality Management Systems. Other factors are the need to keep off from continuous monitoring and auditing "Big Brother Effect" and top management unwillingness to commit funds to a continuous process.

#### **5.4 Recommendation**

Based on the objective of the study and the findings there-of, the following recommendations are given: Since no study has been carried out to look into the management perception on implementation and maintenance of ISO 9001 certification among the insurance industries in Kenya, academicians should carry out further studies related so that there exist a vast knowledge in the field of Quality Management Systems. and as such form a basis of good background for further researchers

The Insurance industry, should adjust and look at the value added by use of quality systems as the study provide insights into quality management standards and their effect to the final product and services

The accrediting bodies, should take advantage of the insights into managements thought and the influence they have on strategic and operational decisions on ISO 9001 certification to the insurance industry as this will assist the standard setters in making decisions that will make the standard more acceptable, and which will meet the needs of its customers, enhancing greater importance and value placed on the standard

### **5.5 Limitations of the Study**

The study was carried out within a limited time frame, and time constrain may have affected the findings of the study carried out. The research involved interviewing top management, who are the main decision makers in any organization. It was difficult to get manager to allocate time to fill in the questionnaire, and some delegated the work to assistants. My research sought managements perception and therefore anyone else perception is not the managers perception

### **5.6 Implications on Policy and Practice**

Active involvement in the running of the company requires, long term strategies for long term benefits which is and should be a prerequisite tool for the managers.

Commitment of funds to a continuous process, by owners of the insurance companies in a move to create professional standards should go along in inducing a sense of meeting obligation in upholding the quality standard of insurance companies. This will ensure that

room for loophole is avoided and proper continuous monitoring and auditing is carried out within the insurance companies.

Decision making in insurance sector, rely primarily on the management. Insurances Regulatory Authority in existence should be strengthened to monitor quality in the insurance sector; this would negate the perception that small insurance companies do not need quality systems and management should commit funds to ensure continuous quality process. The need to strengthen the authority is a key emphasis that should greatly be upheld in Kenya and this will ensure that implementation and maintenance of ISO 9001 certification of Quality Management Systems is positively perceived in making operational decisions in the insurances sector.

### **5.7 Suggestions for Further Studies**

The study recommends that further research should be done on the effect of International Organization for Standardization (ISO) certification on insurance service quality in Kenya. This would help justify the essence of insurance companies' ISO certification. Further studies should be done on the effect of International Organization for Standardization (ISO) certification on employee efficiency in the insurance sector.

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## APPENDICES

### Appendix 1: Questionnaire

#### PART A: DEMOGRAPHIC INFORMATION

1) Your name (optional)

.....

2) Name of your organization (optional)

.....

3) Department and Position you hold.....

4) Level of education

Below Secondary Certificate [ ]

Diploma [ ]

Undergraduate [ ]

Postgraduate [ ]

Any other (Kindly specify) [ ]

5) I am aware/familiar with ISO 9001 Quality Management systems

Yes [ ] No [ ]

6) Is your organization ISO 9001 certified? Yes [ ] No [ ]

---

7) If yes, how long has the company been ISO 9001 certified? .....years

8) Please state the number of years you have worked with this enterprise\_\_\_\_\_

9) Do you have a mission statement (purpose of existence) for your organization?

Yes [ ]

No [ ]

(b) If yes, (i) is it a written statement?

Yes [ ]

No [ ]

10) Has your organization developed strategies for operation?

Yes [ ]

No [ ]

**PART B: GENERAL INFORMATION**

11) Indicate the extent to which the following officers are involved in decision making in the organization: Kindly tick where appropriate using the following 5 – point Likert scales

Never \_ 1; Seldom \_ 2; Occasionally \_ 3; Frequently \_ 4; Always \_ 5

<b>Factors</b>	<b>Never</b>	<b>Seldom</b>	<b>Occasionally</b>	<b>Frequently</b>	<b>Always</b>
Top Management					
Middle Management					
Lower Management					
Supervisors					
Other Staff					
Outside Consultants					

12) Please indicate the degree to which in your view the following issues are indicative of ISO 9001 certification ? Kindly tick where applicable on the following ranking:

5) Completely unnecessary 4) not important 3) somewhat important 2) very important 1) extremely important

<b>Statement</b>	<b>1- extremely important</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5- completely unnecessary</b>
Increase customer satisfaction					
Improve business performance and risk management					
Improves efficiency, streamline operations and reduces waste					
Enhances brand reputation and improved corporate image					
Attract investment, remove trade barriers and enhance entry to access global markets					
Improve internal communication and raise staff motivation					
Increased competitive advantages that differentiate from competitors					
Need to increase regulatory compliance					

13) How has acquiring ISO certification affected performance and productivity of your organization?

Positively  [ ]

Negatively  [ ]

14) How would acquiring ISO certification affect performance and productivity in your organization?

Very high  [ ]

Not sure  [ ]

Less improvement  [ ]

Not improve at all  [ ]

15) To what extent are the following factors a challenge in implementing and maintaining ISO certification in your organization?

<b>Level</b>	<b>Not at all</b>	<b>Small Extent</b>	<b>Moderate Extent</b>	<b>Large Extent</b>	<b>Very Large Extent</b>
Time taken to prepare and uphold the certification (Implementation and maintenance)					
Cost of registration and continuous surveillance					
Minimal or lack of top management support					
Lack of appreciation by Kenyan customers					

Unfair Competition from unregistered firms					
Need for trained staff to maintain ISO records and goal setting					
Problem with adjusting the organizations status quo to meet ISO 9001 requirements					
Poor monitoring and evaluation with need for continuous and continual improvement					
Organization culture					

16) Any other factors

.....

.....

17) From an industry perspective to what extent do you think the following factors affect decisions made in the insurance sectors that influence implementation and maintenance of ISO 9001 certification of Quality Management Systems

<b>Statement</b>	<b>Not at all</b>	<b>Small Extent</b>	<b>Moderate Extent</b>	<b>Large Extent</b>	<b>Very Large Extent</b>
Ownership of the insurance company					
Top management who do not actively run the company					
Need to avoid meeting their obligations therefore leaving room for loopholes					
Lack of professionalism in the industry					
Top management unwillingness to commit funds to a continuous process					

Lack of long term strategies for long term benefits					
The organization is small in size and does not need quality systems					
Need to keep off from continuous monitoring and auditing- 'Big Brother Effect'					
Avoiding to follow guidelines and laid down rules to safeguard against own errors and mistakes					
Lack of or little powers by the Insurance Regulatory Authority					
A history of fraudulence in the industry therefore difficult to curb the menace					
It is not important to our industry					
It is not highly upheld in Kenya and in the third world countries					

18) Any other factors

.....  
.....

What do you think can be done to enhance acceptance of ISO 9001 Quality Management Standards in the insurance sector

.....  
.....

**Thank you very much for your co-operation**

## Appendix II: List of Insurance Companies In Kenya

### A

African Merchant Assurance Company  
(AMACO)

Physical Address: Transnational Plaza 2nd  
floor Mama Ngina St

Fax :340022

Tel: 312121

Email:marketing@amaco.co.ke

URL: <http://www.amaco.co.ke/>

APA Insurance Company

Physical Address: Hughes Bldg 6th flr  
Kenyatta Avenue

Fax: 2862200

Tel: 2862000

Email: info@apainsurance.org

URL: <http://www.apainsurance.org>

Apollo Life Assurance Company

Physical Address: Hughes Bldg 6th flr  
Kenyatta Avenue

Fax: 343594

Tel: 343585-95

Email:insurance@apollo.co.ke

URL: <http://www.apollo.co.ke>

### B

Blue Shield Insurance Company

Physical Address: Blue Shield Towers,  
Hospital Road Upper Hill

Fax: 214773

Tel: 2032590/1

Email:info@blueshield.co.ke

British American Insurance Company

Physical Address: British America center  
mara/Ragati Road Capitol hill, UpperHill

Fax: 2717626

Tel: 2710927

Email:britak@britak.co.ke

URL: <http://www.britak.co.ke/>

### C

Cannon Assurance Company

Physical Address: Gateway Business Park

Fax: 829075

Tel: 3513692/93/94

Email: info@cannonassurance.com

URL: <http://www.cannonassurance.com/>

CFC Life Assurance Company

Physical Address: CFC Hse, Mamlaka Road

Fax: 2718365

Tel: 2866000

Email: cfclife@cfclife.co.ke

URL: <http://www.alico-kenya.com>

Chartis Kenya Insurance Company

Physical Address: AIG House, Eden Square  
Complex, Chiromo Road

P. O. Box 49460 - 00100

Nairobi

Fax: 3676001/2

Tel: 3676000/3751800

Email: chartiskenya@chartisinsurance.com

URL: [www.chartisinsurance.com](http://www.chartisinsurance.com)

Concord Insurance Company

Physical Address: Yaya Center 4th flr  
Argwings Kodhek

Fax: 2720165

Tel: 2720166/7

Email:concord@africaonline.co.ke

Co-operative Insurance Company

Physical Address: CIC plaza Mara Road  
Upperhill

Fax: 2823333

Tel: 2823000

Email: cic@cic.co.ke

URL: <http://www.cic.co.ke>

Corporate Insurance Company

Physical Address: Corporate Place  
Kiambere Road, UpperHill

Fax: 2717775

Tel: 2717617 2718235

Email:insure@cickenya.com

## D

Directline Assurance Company Ltd  
Physical Address: Hazina Towers, 17th  
Floor, Monrovia Street  
Fax: 242746  
Tel: 242405  
Email:info@directline.co.ke

## F

Fidelity Shield Insurance Company  
Physical Address: Rank Xerox 4th flr  
Parkland Road  
Fax: 445699  
Tel: 4443063-9  
Email:info@fidelityshield.com  
URL: <http://www.fidelityshield.com/>

First Assurance Company  
Physical Address: Clyde gardens off  
Gitanga Road lavington  
Fax: 567433  
Tel: 577737/ 567374  
Email:hoinfo@firstassurance.co.ke  
URL: <http://www.firstassurance.co.ke/>

## G

Gateway  
Physical Address: Gateway place milimani  
Road  
Fax: 2713138  
Tel: 2713131/2  
Email:gateway@gateway-insurance.co.ke  
Geminia Insurance Company  
Physical Address: Geminia Insurance Plaza  
Kilimanjaro Avenue  
Fax: 2782100  
Tel: 2782000  
Email:info@geminia.co.ke

General Accident Insurance Company  
Physical Address: GA Hse 4th flr Ralph  
Bunche Road

Fax: 2714542  
Tel: 2711633  
Email: administrator@gakenya.com

## H

Heritage Insurance Company  
Physical Address: CFC Center Chiromo  
Road  
Fax: 3752621  
Tel: 3749118/3749043  
Email:info@heritage.co.ke

## I

Insurance Company of East Africa (ICEA)  
Physical Address: ICEA Bldg Kenyatta  
Avenue  
Fax: 249715  
Tel: 221652/ 340365  
Email:hof@icea.co.ke  
URL: <http://www.icea.co.ke/>

Intra Africa Assurance Company  
Physical Address: Williamson Hse3Road flr  
4th Ngong Avenue  
Fax: 2712612  
Tel: 2712610/ 2712607  
Email:mailto:intra@swiftkenya.com

## J

Jubilee Insurance Company  
Physical Address: Jubilee Insurance Hse  
Wabera St  
Fax: 32081000  
Tel: 216882  
Email:jic@jubileekenya.com  
URL: <http://www.jubileekenya.com>

## K

Kenindia Assurance Company  
Physical Address: Kenindia Hse Loita St  
Fax: 218380  
Tel: 316099/316460  
Email:kenindia@africaonline.co.ke  
URL: <http://www.kenindiaassurance.com/>

Kenyan Alliance Insurance Company  
Physical Address: Chester Hse 1St flr  
Koinange St  
Fax: 217340  
Tel: 241626/ 243526  
Email:kai@kenyanalliance.com

Kenya Orient Insurance Company  
Physical Address: Capital hill Towers 6th flr  
Cathedral Road  
Fax: 2728605  
Tel: 2728603/4  
Email: info@korient.co.ke  
URL: <http://www.korient.co.ke>  
L

Lion of Kenya Insurance Company  
Physical Address: Williamson Hse7th flr 4th  
ngong ave  
Fax: 2711177  
Tel: 2710400  
Email: insurance@lionkenya.com

M  
Madison Insurance Company  
Physical Address: Madison Hse Upperhill  
Road  
Fax: 2723344  
Tel: 2721970/1  
Email:madison@madison.co.ke  
URL: <http://www.madison.co.ke/>

Mayfair Insurance Company  
Physical Address: Barclays Plaza, 7th Floor,  
Loita Streed  
Fax: 254 20 315645  
Tel: 254 20 315703, 315716, 315720  
Email: info@mayfair.co.ke  
URL: <http://www.mayfair.co.ke>

Mercantile Insurance Company  
Fedha Towers 16th flr Muindi Mbingu  
Fax: 215528  
Tel: 218244,219486

20680-00200  
Email:mercantile@mercantile.co.ke

Metropolitan Life Insurance Kenya Ltd.  
International House, Mama Ngina Street,  
mezzanine Floor  
Fax: 243179  
Tel: 243126/42/58  
Email:

Monarch Insurance Company  
Prudential Assurane Building, 4th Fl.  
Wabera Street  
Tel. 310032  
Fax. 340691  
Email: info@themonarchinsco.com

O  
Occidental Insurance Company  
Physical Address: Corner Plaza, 2nd Floor,  
Parklands  
Fax: 3750193  
Tel: 3750012/22/37/57/83  
Email: enquiries@occidental-ins.com

Old Mutual Life Assurance Company  
Physical Address: Old mutual Bldg  
Mara/hospital Road, UpperHill  
Fax: 2722415  
Tel: 2728881  
Email: contact@oldmutualkenya.com  
URL: <http://www.oldmutualkenya.com/>

P  
Pan Africa Life Assurance Company  
Pan Africa Hse Kenyatta Avenue  
Fax: 2217675  
Tel: 2247600/2225050/2781000  
Email: life-insure@pan-africa.com  
URL:<http://www.pan-africa.com/> and  
<http://www.panafrica.co.ke/>

Pacis Insurance Company Ltd

Centenary House, 2nd Floor, Off Ring  
Road, Westlands  
Fax: 4446167  
Tel: 4452560  
Email: [info@paciskenya.com](mailto:info@paciskenya.com)  
URL: <http://www.paciskenya.com>

Phoenix of East Africa Assurance Company  
Ambank Hse 17th 18th flr University Way  
Fax: 211848  
Tel: 251350  
Email: [general@phoenix.co.ke](mailto:general@phoenix.co.ke)

Pioneer Life Assurance Company  
Pioneer Hse 6th flr Moi Avenue  
Fax: 224985  
Tel: 220814  
Email: [info@pioneerassurance.co.ke](mailto:info@pioneerassurance.co.ke)

R  
Real Insurance Company  
Royal Ngao Hse Hospital Road, Upper Hill  
Fax: 2717888  
Tel: 2712620  
Email: [general@realinsurance.co.ke](mailto:general@realinsurance.co.ke)  
URL: <http://www.realinsurance.co.ke>

T  
Tausi Assurance Company  
Tausi Court, Tausi Road off Muthithi Road  
Fax: 3746602/3  
Tel: 3746602/3  
Email: [clients@tausiassurance.com](mailto:clients@tausiassurance.com)

Trident Insurance Company  
Capital Hill Towers 1st flr Cathedral Road  
Fax: 2726234  
Tel: 2721710/ 2721728  
Email: [trident@nbnet.co.ke](mailto:trident@nbnet.co.ke)

Trinity Life Assurance Company  
Re-insurance plaza 5th flr Taifa Road  
Fax: 249835  
Tel: 243596/ 244229  
Email: [trinity@swiftkenya.com](mailto:trinity@swiftkenya.com)

U  
UAP Provincial Insurance Company  
Bishop Garden Towers, Bishop Road  
Fax: 2719030  
Tel: 2850000  
Email: [uapinsurance@uapkenya.com](mailto:uapinsurance@uapkenya.com)  
URL: <http://www.uapkenya.com/>

**Source: Association of Kenya Insurers. 2008**

### Appendix III: List Of ISO Certified Firms In Kenya

<b>ORIGINAL APPROVAL</b>	<b>Client</b>	<b>Standard</b>	<b>Validity</b>
19/05/04	Athi River Mining Silicate Plant	ISO 9001:2000	22/04/2010
21/05/2003	A.R.M-MSA	ISO 9001:2000	28th June 2009
12/3/2008	African Diatomite Industries Ltd	ISO 9001:2000	3/11/2011
5/6/2007	Aga Khan Hospital Mombasa	ISO 9001:2000	5th June 2010
1/9/2004	Agakhan Hospital Kisumu	ISO 9001:2000	19/07/2010
16/03/07	Agakhan Hospital Nairobi	ISO 9001:2000	16/03/2010
30/06/2003	Agro Chemical And Food Company	ISO 9001:2000	9/11/2009
28/07/2006	Akamba Public Road Service Limited	ISO 9001:2000	28/07/2009
13/08/1996	Alloys Steel Casting Limited	ISO 9001:2000	14/09/ 2011
27/08/1999	Allpack Industries Limited	ISO 9001:2000	6/7/09
24/02/2006	Alpine Coolers	ISO 9001:2000	24/02/2009
30/08/ 2008	Andy forwarders	ISO 9001:2000	29/08/ 2011
21/10/2005	Aquamist	ISO 9001:2000	21/10/2008
19/04/2006	Asea Brown Boveri Limited	ISO 9001:2000	18/04/2009
19/05/2004	Ashut Engineers Limited	ISO 9001:2000	19/05/2010
15/10/2003	Bamburi Special Products	ISO 9001:2000	15/10/2009
1/12/2006	Basco Products Kenya Limited	ISO 9001:2000	1/12/09
24/06/1999	Bidco Oil Refineries Limited	ISO 9001:2000	27/05/2011
14/10/05	Bidco Oil Refineries Ltd Elianto Division	ISO 9001:2000	13/10/2011
15/04/2002	Blowplast	ISO 9001:2000	14/04/2011
11/11/2007	Bomu Medical Centre	ISO 9001:2000	10th /11/ 2010
8/11/2005	Booth Extrusion	ISO 9001:2000	3/10/11
19/07/06	Carbacid Co2 Limited	ISO 9001:2000	19/07/2009
6/8/2005	Cargil Kenya Ltd.	ISO 9001:2000	
12/11/1999	Cempack Solutions Limited	ISO 9001:2000	10/4/2009
1/10/2008	Chandaria Industries Limited	ISO 9001:2000	30/09/2011
8/12/2008	Chebut Tea Factory	ISO 9001:2000	15/11/2010
12/10/2001	Citibank N.A Kenya	ISO 9001:2000	15/11/ 2010
16/05/07	Computer technics	ISO 9001:2000	16/05/2010
12/7/1999	Cook N Lite	ISO 9001:2000	
8/12/2008	Complast	ISO 9001:2000	15/11/ 2010
5/7/2008	Co-operative College	ISO 9001:2000	4/7/2011
28/01/2005	Corrugated Sheets Ltd.	ISO 9001:2000	27/01/2011
26/09/2008	Interfreight limited	ISO 9001:2000	25/09/2011
17/10/ 2008	Iriani Tea Factory	ISO 9001:2000	16/11/ 2011
12/1/2006	J.F. McCloy Limited	ISO 9001:2000	12/1/09
29/11/2008	Jubilee Insurance Co. Ltd	ISO 9001:2000	29/10/2012
8/10/2001	K.A.R.M	ISO 9001:2000	8th Feb, 2010

19/09/2007	K.A.R.M	ISO 9001:2000	11th July 2010
29/12/ 2008	Kambaa Tea Factory	ISO 9001:2000	15/11/2010
5/10/2008	Kagwe Tea Factory	ISO 9001:2000	10/4/2011
15/10/03	Kaluworks Ltd Aluminium Division	ISO 9001:2000	7/12/09
30/07/2003	Kaluworks Pardini	ISO 9001:2000	8th Feb 2010
12/6/2008	Kangaita Tea Factory	ISO 9001:2000	11/6/2011
1/10/2008	Kanyeyaini Tea factory	ISO 9001:2000	30/09/2011
29/07/ 2008	Kapkoros Tea Factory	ISO 9001:2000	28/07/ 2011
10/10/2008	Kapsara Tea Factory	ISO 9001:2000	10/9/2011
19/03/08	Kapset Tea Factory	ISO 9001:2000	18/3/2011
12/9/2008	Kathangariri Tea Factory	ISO 9001:2000	11/9/2011
6/11/2007	Kenafic Industries Limited	ISO 9001:2000	10/9/2010
7/12/2004	Kenwestfalworks Limited	ISO 9001:2000	5/12/2010
19/05/2004	Kenya Cuttings	ISO 9001:2000	29/04/2010
4/4/2007	Kenya Medical Supplies Agency	ISO 9001:2000	4/4/2010
1/12/2006	Kenya Power & Lighting Co Ltd	ISO 9001:2000	1/12/2009
6/18/2008	Signon Freight Limited	ISO 9001:2000	19/04/2009
6/18/2008	SIGINON FREIGHT LTD - MSA	ISO 9001:2000	17th June 2011
12/12/2008	Signode packaging	ISO 9001:2000	15/12/ 2010
7/9/2001	Silpack Industries	ISO 9001:2000	10/9/10
30/11/01	Slumberland	ISO 9001:2000	10/6/10
1/11/2005	Spinners & Spinners	ISO 9001:2000	31/10/2011
17/11/2006	Standard Rolling Mills	ISO 9001:2000	17th Nov 2009
25/05/07	Steadman	ISO 9001:2000	25/05/2010
11/2/2005	Sumaria Industries	ISO 9001:2000	23/12/ 2011
29/10/04	Tanalec	ISO 9001:2000	14/07/2009
12/9/2008	Tea Board of Kenya	ISO 9001:2000	11/9/2011
17/10/06	Technical Engineering services	ISO 9001:2000	17/10/09
8/12/2008	The Nairobi Hospital	ISO 9001:2000	15/12/ 2010
20/11/2005	UAP Insurance Co. Ltd	ISO 9001:2000	20/11/2011
1/12/2005	Union Logistics	ISO 9001:2000	1/12/2011

**Source: BVQI 2008**