

**CRITICAL SUCCESS FACTORS ADOPTED BY CIC INSURANCE
GROUP LIMITED IN KENYA**

BY:

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DECLARATION

This research project is my original work and has not been submitted for examination to any other university.

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

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DEDICATION

I dedicate this work to my dear husband and my daughters for their inspiration, encouragement and support in the course of undertaking this study.

ABSTRACT

The insurance industry plays a significant role in the Kenyan economy. Awareness of the CSFs allows firms to concentrate their efforts on resources considered important to the industry to achieve success. The main objective of this study was to identify CSFs of effective insurance industry. The research design was a case study design. The primary data was collected using interview guide. The interviewees were branch manager at head office, operations manager, strategy and development managers and business development manager at CIC Group Limited in Kenya. The qualitative analysis was done using content analysis. From the findings, the study concluded that the mission of the CIC Insurance Group Limited was: To provide financial security to the people through the corporative spirit. On the other hand, The Vision was: To be a world class provider of insurance and other financial services through cooperative spirit. The key factors considered in formulating strategies at CIC Insurance Group Limited included; the company vision, mission, the growth opportunities available for the company in the market, the unexploited market, being a dominant player in the industry, CIC unique history of being owned by cooperatives hence it has a special focus on cooperative and ordinary Kenyans, the company being innovative and competitive, the shareholding of the company, its resources. The company used balance scorecard in implementing the chosen strategies. The company also implemented the chosen strategies by coming up with strategic business unit to handle the identified market, opening up more distribution channels. The strategic implementation in the organization was carried out by the group CEO, managing directors and all managers, heads of department, and senior management team. The critical success factors that have enabled CIC Insurance group included; proper

planning, clear communication, shared values, open door policy, empowerment of staff, partnership within cooperatives sector, strengthening existing channels, focusing on customer service, establishment of call centers, investment in staff satisfaction, product offering, culture, customer service, innovative distribution channels, teamwork and empowerment, good and visionary leadership, updated ICT systems, innovation and research. The critical success challenges include fast growth strain, inadequate capital, erosion of company values and stiff and unhealthy competition. The study recommends that the management of CIC Group Limited should offer regular training to its human capital to equip them with skills and expertise in order to keep its workforce efficient in its implementing its mandate. The study recommends that the management of CIC Group Limited should review their policies guiding the formulation of CSFs and identify the existing gaps to address the missing links in the policies. The study recommends that the company structures should be reorganised into strategic business units to be able to respond to customers' needs in the shortest time possible to enhance efficiency and improved customer loyalty.

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ACRONYMS AND ABBREVIATION

AKI:	Association of Kenya Insurers
CSF:	Critical Success Factors
IIK:	Insurance Institute of Kenya
IRA:	Insurance Regulatory Authority
KNFC:	Kenya National Federation of Co-operatives
NSE:	Nairobi Securities Exchange

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Business operates in an environment. As a social institution, business has an intricate and important relationship with the environment with which it interacts (Hellman, Jones, Kaufmann and Skankaman, 1999). For the business, the main purpose of such interactions is to maximize profit and well-being of a firm's constituents. The mechanism of interaction is the interface between the business and its environment; the business and environment gain from each other. This typifies interdependence between business and environment.

The dynamic environment in which a business operates provides opportunities for it to grow, develop and create value and wealth. It also poses some threats to the business. The primary concern is how the business affects people and natural environment as it produces and sells products necessary to satisfy customers, stakeholders and other constituents. By building key stakeholder relationships among government agencies, consumer entities, environmental groups and other constituents, a business can anticipate and manage issues and concerns that might otherwise have gone undetected until they had grown into major problems (Rainey, 2008). These entail conscientious analysis of both external and internal environment by the business.

The foregoing implies that the environment of a business is the pattern of all the external and internal conditions and influences that affect its life, growth and development (Quinn, 1993). Consequently, since growth and development through conspicuous

industry and market positions are central to mission statement and vision of a thriving business, it is onerous on the corporate strategist to keep abreast with the factors of the business environment and the evolving trends of their features over time. In nature, the environmental factors and their influences are economic, political-legal, socio-cultural and technological (Pearce & Robinson, 2007). Since strategy formulation process incorporates futuristic tendencies in terms of business environment, business executives who simulate the process must be conversant with such factors in the environment.

The internal environment of a business consists of a set of conditions, influences and elements within the business which are directly controlled and influenced by management of the business to shape the life and continued existence of the business in the direction of attainment of organizational goals and objectives (Pearce & Robinson, 2007). These conditions and influences are within the firm as a business unit, and it can control them. The elements of the business internal environment constitute the internal environmental factors. Essentially, they are the employee attitudes, new equipment, processes, strategy, work environment, etc, which are encapsulated in the strengths and weaknesses of the business. The organization has the control of these matters because they happen within the organization unlike external environmental factors. Thompson and Strickland (2001) state that “Developing strategies is one of the tasks needed to achieve unity and coherence between the firm’s internal ability, sources and skills with the external factors which are related to the firm”. In line with this, David (1999) submits that any strategic should match firm’s strengths and weaknesses with the surrounding to identify the best effective alternative strategy to be implemented.

1.1.1 The concept of strategy

Johnson & Scholes (2002) define strategy as the direction and scope of an organization that ideally matches the results of its changing environment and in particular its markets and customers so as to meet stakeholder expectation. According to Greenley (2006), strategy is a unified and integrated plan that relates the strategic advantages of the firm to the challenges of the environment and that is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization.

Strategy is a multi-dimensional concept and various authors have defined strategy in different ways. It is the match between an organization's resources, skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish (Quinn, 1993). It is meant to provide guidance and direction for the activities of the organization. Since strategic decisions influence the way organizations respond to their environment, it is very important for a firm to make strategic plans and define strategy in terms of its function to the environment.

The purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Pearce and Robinson, 2007). Mintzberg and Quinn (2003) perceive strategy as a pattern or a plan that integrates organization's major goals, policies and action into a cohesive whole. Porter (2004) has defined strategy as a creation of a unique and vulnerable position of tradeoffs in competing, involving a set of activities that neatly fit together, that are simply consistent, reinforce each other and ensure optimization of

effort. Pearce & Robinson (2007) define strategy as the company's "game plan" which results in future oriented plans interacting with the competitive environment to achieve the company's objectives. This definition of strategy is important in this study as it reflects competitiveness in the environment and the game plan aspects, which organizations put into place to be able to compete effectively.

According to the Kenya Insurance Survey KPMG, (2009), 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. The Survey revealed that the General insurance business is facing two major challenges. CSFs are tailored to a firm's or managers particular situation as different insurance products that lead to different critical success factors. The insurance industry presented five key sources of CSFs: the industry, competitive strategy and industry position, environmental factors, temporal factors, and managerial position.

1.1.2 Critical Success Factors

An organization's internal environment is composed of the elements within the organization, including current employees, management, and especially corporate culture, which defines employee behavior. Although some elements affect the organization as a whole, others affect only the manager. A manager's philosophical or leadership style directly impacts employees. Traditional managers give explicit instructions to employees,

while progressive managers empower employees to make many of their own decisions (David, 1999). Changes in philosophy and/or leadership style are under the control of the manager. The following sections describe some of the elements that make up the internal environment.

Internal environments contain the owner of the business, the shareholders, the managing director, the non-managers/employees, the customers, the infrastructure of the business organization, and the culture of the organization. These things, situations, or events that occur that affect a business in either a positive or negative way are called "driving forces or environmental factors." Internal driving forces are those kinds of things, situations, or events that occur inside the business, and are generally under the control of the company (David, 1999). Initially, CSFs was known as critical and non critical elements of a business leading to "controlling competitive success" (Daniel et al 1961). Critical Success Factors (CSFs) was first used as a basis of determining the information needs of the managers using interdisciplinary approach with the potential usefulness in the practice of evaluation within library and information units but has over time been applied to use by other business establishments (Drucker, 1993).

According to Rockart (1979), there are four basic types of Critical Success Factors namely: Industry CSFs resulting from specific industry characteristics; Strategy CSFs resulting from the chosen competitive strategy of the business; Environmental CSFs resulting from economic or technological changes; and finally Temporal CSFs resulting from internal organizational needs and changes. Each CSF should be subjected to

measurement using established tools e.g. critical success levels in terms of transaction quantity. The CSFs approach was applied in case studies carried out in the UK universities (Loh and Venkatraman, 1992). It was applied also as a component of a strategic information management (SIM) methodology.

1.1.3 The Insurance Industry in Kenya

The main players in the Kenyan insurance industry are: insurance companies, reinsurance companies, insurance brokers, insurance agents and the risk managers. The statute regulating the industry is the insurance Act; Laws of Kenya, Chapter 487. The office of the commissioner of insurance was established under its provisions to strengthen the government regulation under the Ministry of Finance. There is also self regulation of insurance by the Association of Kenya Insurers (AKI). The professional body of the industry is the Insurance Institute of Kenya (IIK), which deals mainly with training and professional education. Recently there was formed the Insurance Regulatory Authority (IRA) mandated to supervise and regulate the insurance industry players. According to the (AKI) Insurance Industry Report for the year 2006, there were 43 licensed insurance companies in 2006 with 21 companies writing general insurance, 7 writing life insurance while 15 were composite. There were 197 licensed insurance brokers during the year. The gross premium written by the industry was KShs 41.68 billion compared to KShs 36.42 billion in 2005 representing a growth of 14.54%. The gross premium from general insurance was KShs 29.20 billion while life business premiums and pensions contributions amounted to KShs 12.48 billion. The gross profit before tax rose from KShs 4.32 billion in 2005 to KShs 5.80 billion in 2006 representing a growth of 35%.

Insurance business can broadly be classified into general and life. Despite this classification the different classes of insurance businesses can be viewed as lines of business along the profit centre concept. According to the Kenya Insurance Survey, (2004), 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. The Survey revealed that the General insurance business is facing two major challenges. The first challenge is to come up with a solution for companies whose viability is threatened by their inability to meet policy holder claims.

1.1.4 CIC Insurance Group Limited

The idea of introducing co-operative insurance in Kenya was first conceived early in 1968 by the Kenya National Federation of Co-operatives (KNFC). After further consultations, it became necessary to form an Insurance Agency which was started in 1972. This led to the registration of a Co-operative Insurance Society of Kenya on 18th November 1975, under the Co-operative Societies Act CAP 490. In 1978, the Society was incorporated and licensed as insurance company under the Companies Act, thus changing its name to Co-operative Insurance Services Limited (CIS) and began its business in December 1978.

The CIC Insurance Group comprises CIC General Insurance limited, CIC Life Assurance limited and CIC Asset Management limited. The Company has been in operation for the last 33 years. CIC is owned by about 1,562 Co-operative Societies and around 3,875 individual Co-operators with the Co-operative Bank of Kenya Limited holding a 26% stake. It is scheduled to list on the NSE mid this year (2012) by introduction. CIC is the market leader in providing insurance services to the co-operative and low-income market segments in Kenya. As a composite Insurance company offering a wide range of products such as General Insurance, life Assurance, pension ,medical and Asset management services, CIC now occupies 2nd position in terms of market share (as of 2012) in the Kenyan Insurance market.

CIC Foundation focuses on CSR and corporate philanthropy through deliberate creation of positive impact on the society. CIC Foundation focuses on CSRs through promotion of activities beyond CIC Insurance Group core business while serving the interest of CIC Insurance Group shareholders. As a corporate, CIC Insurance Group recognize the distinctive contribution to make to the advancement of the society. CIC's growth and development is anchored on sound economic and social conditions. CIC Insurance Group larger vision for doing good focuses on the need for social impact, environmental responsibility and unity of the Kenyan people. As a Co-operative based organization, CIC Insurance Group has a moral responsibility to alleviate certain social concerns by form of investment in partnership with the community and other stakeholders.

1.2 Research Problem

Rockart (1979) was the first to suggest that executives focus on certain factors, which, if they are successful “will ensure successful competitive performance for the organization. They are the few key areas where things ‘must go right’ for the business to flourish” Critical success factors (CSFs) are assumptions which must be true for you to fulfill your business plan. Leidecker and Bruno (1984) consider CSFs to be those factors that allow a firm to successfully compete in a particular industry. CSFs tend to have commonality within a given industry (Hofer & Schendel, 1978) and vary across industries, where the success factors result from the interaction of economic and technological factors specific to an industry.

The insurance industry plays a significant role in the Kenyan economy. Over the decades, researchers have investigated the effects of formal strategic planning on financial performance in small firms (Pearce and Robinson, 1983). Awareness of the CSFs will allow firms to concentrate their efforts on resources considered important to the industry and will allow them to achieve success. This study investigates organizations’ technology adoption behaviors at the organizational level rather than at the individual level. The overall objective of this study is to identify CSFs of effective insurance industry, Therefore, to identify critical success factors (CSFs) in insurance industry to adopt commerce successfully is an important issue.

Local studies have been done on strategic issues on critical success factors. For instance, Ndungu (2003) conducted a study on the determinants of CSFs in insurance firm’s

profitability in Kenya. The findings were; qualified personnel, ICT and quality service delivery among others. The findings may not be generalised to our study due to the reason that even non-critical factors may at times lead to profitability. Kiptugen (2003) studied the strategic responses to a changing competitive environment as a case study of Kenya Insurance firms. Mbugua (2005) on petroleum products retailing in Nairobi, he found out the key CSF's; to be location, use of effective financial control, competitive product pricing, efficient and effective customer service, consistent product quality and diversification of services. Muindi (2006), carried out a study on CSF's for dealers in heavy construction equipment in Kenya, he found out key CSF's as: quality of after sales service, product attributes, product availability and dealer resources. Maina (2006), researched on CSF's relating to banking industry in Kenya, and he gave out the CSF's as: good service delivery, low cost services, human resource management, offering a wide range and use of modern technology. Griffiths and Finlay (2004), on strategic organizational issues of ICT in the Kenyan commercial insurance industry has generally not been covered adequately by the current body of literature. There is no published research concerning the same in insurance sector as a critical success factor. This study therefore intended to fill this gap by determining the critical success factors in the Insurance Industry. The study aimed at addressing the research question: what are the critical success factors adopted by CIC Group Limited in Kenya?

1.3 Research Objective

The objective of the study was to identify the critical success factors adopted by CIC insurance Group Limited in Kenya

1.4 Value of the Study

The findings from the study may particularly be useful in providing additional knowledge to existing and future institutions on the critical success factors adopted by organisations and provide information to potential and current scholars on critical success factors in Kenya. This may expand their knowledge on critical success factors in the insurance industry and also identify areas of further study. The study may be a source of reference material for future researchers on other related topics; it may also help other academicians who undertake the same topic in their studies. To the current and potential scholars in the business field more especially those who have interest in critical success factors, the findings from this study may provide information to expand the one already that exists. The findings may also be of critical importance to those who have got interest of further studying the field because the researcher intends to give suggestions for further studies.

The debate on the use of research results for policy decision-making at the insurance industry on critical success factors is not new and the issue has gained greater prominence in recent decades. The findings from this study may therefore be of importance because they may have the capacity of being used to formulate positive national policies which are relevant and sensitive to the forces influencing the insurance sector in Kenya.

To the operating insurance firms in Kenya, the study findings may be of great importance because the identification of the extent at which the management of the insurance firm's have implemented the critical success factors in their operations was evaluated giving their strengths and weaknesses. Most importantly the findings of this study may help in enlightening the key decision makers in CIC Group Limited in Kenya toward policies formulation and on how to successfully implement their strategies and how they could purpose to mitigate the challenges facing it. The study may in addition to the above, be useful to stakeholders, financiers, and investors in formulating and planning areas of intervention and support.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the information from other researchers who have carried out their research in the same field of study. The specific areas covered here are concept of strategy, strategy implementation, business environmental factors, internal environmental factors and finally critical success factors.

2.2 Concept of Strategy

There is no single universally accepted definition of strategy. Different authors and managers use the term differently (Mintzberg, 1993). Quinn (1980) defines strategy as the pattern or plan that integrates an organization's major goals, policies and action sequences into a cohesive whole. He goes further to state that a well formulated strategy helps to marshal and allocate an organization's resources into a unique and viable posture based on its relative internal competencies and shortcomings, anticipated changes in the environment and contingent moves by intelligent opponents.

Strategy can be formulated on three different levels, namely: corporate, business unit and operational level. While strategy may be about competing and surviving as a firm, one can argue that products and not organizations compete. Products are developed by the business units. The role of the organization then is to manage its business units and products so that each is competitive and so that each contributes to the organization's purposes (Porter, 1980).

Strategy helps to position a firm in the wider external environment. It also defines the obligation of the firm to its stakeholders (Johnson and Scholes, 1999). Strategy helps to define the specific business of the firm in terms of products, markets and geographical scope. Strategy can also be considered as a firm's game plan that enables the firm to create competitive advantage (Pearce and Robinson, 2000). The firm needs to look at itself in terms of what the competitions are doing. This is critical because firms in the same industry tend to compete for the same customers. Ansoff and Mc Donnell (1990) define strategy as a set of decision making rules for guidance of organizational behavior. This strategy is used as a yardstick to measure firm's performance and to define its relationship with the external environment. Strategy needs to take into consideration both the immediate and remote environments.

There is no single exhaustive definition of strategy. What emerges, however, is that strategy is defined by how a firm relates to its environment. This has to take into account the internal capabilities of the firm which defines the firm's competitive advantage. The success or failure of a firm's strategy will depend on skillful formulation and effective implementation. However, all successful strategies have some common elements. They are based on simple consistent and long term objectives. They are also based on a profound understanding of the competitive environment and objective appraisal of available resources (Cox and Britain, 2000).

2.3 Critical Success Factors

Ferguson and Khandewal (1999) defines CSF's as those characteristics conditions or variables that, when properly sustained, maintained or managed, can have a significant impact on the success of a firm compacting in a particular industry. Rockart (1979) observed that performing CSF's satisfactorily ensures successful competitive performance and therefore a favorable competitive position in an industry. CSF in SCM is linked to key tasks and priorities. Key tasks are what to be done to ensure that each CSF's in SCM are achieved. Priorities indicate the order in which the tasks are to be performed.

Critical success factors (CSFs) have been used significantly to present or identify a few key factors that organisations should focus on to be successful. As a definition, critical success factors refer to the limited number of areas in which satisfactory results will ensure successful competitive performance for the individual, department, or organisation (Rockart and Bullen, 1981). Identifying CSFs is important as it allows firms to focus their efforts on building their capabilities to meet the CSFs, or even allow firms to decide if they have the capability to build the requirements necessary to meet critical success factors (CSFs).

Success factors were already being used as a term in management when Rockart and Bullen reintroduced the concept to provide greater understanding of the concept and, at the same time, give greater clarity of how CSFs can be identified. CSFs are tailored to a firm's or manager's particular situation as different situations (industry, division,

individual) lead to different critical success factors. Rockart and Bullen presented five key sources of CSFs: the industry, competitive strategy and industry position, environmental factors, temporal factors, and managerial position.

According to Munro and Wheeler (1980), Critical success factors (CSFs) define key areas of performance that are essential for the organization to accomplish its mission. Managers implicitly know and consider these key areas when they set goals and as they direct operational activities and tasks that are important to achieving goals. However, when these key areas of performance are made explicit, they provide a common point of reference for the entire organization. Thus, any activity or initiative that the organization undertakes must ensure consistently high performance in these key areas; otherwise, the organization may not be able to achieve its goals and consequently may fail to accomplish its mission.

The strong relationship between goals and CSFs results from the fact that managers are the origin of both goals and CSFs. When managers set goals, they also implicitly consider what they need to do to be successful at achieving the goals (Ramaprasad, and Williams, 1998). Thus, it is likely that managers consciously consider their CSFs during goal setting and consequently create the bond between goals and CSFs that is needed to contribute to accomplishing the organization's mission. In this way, the influence of CSFs on goal achievement is made explicit, even if the actual CSFs are not. Organizations that have been successful at achieving their goals have also likely achieved their CSFs, albeit in a less observable way.

Critical success factors (CSFs) in the insurance industry were first applied in Geller's (1985) study in which he designed his hotel information systems. Brotherton and Shaw (1996) described CFSs as a combination of activities and processes designed to facilitate the achievement of objectives and goals specified by a company. Critical success factors can substantially improve the insurance industry's capabilities in coping with future changes by identifying core competencies that are critical for their competitive advantage (Berry, Seider and Gresham, 1997).

The knowledge gap identified is the CSF's in Supply Chain Management in relation to a specific organization which are yet unknown. The current study intends to fill the identified knowledge gap by seeking to discover the CSF's in Supply Chain Management in relation to the hotel industry. The current study differs from the most of the reviewed studies in that the previous studies did not deal with CSF's in Supply Chain Management, but dealt with financial performance success factors. From the literature reviewed, it can be concluded that there is a need to carry-out studies concerning the CSF's in Supply Chain Management in commercial and industrial companies, whether they are exhibiting successful performance in their Supply Chain Management -activities or not. Information on critical success factors in the high technology companies and non-high technology companies is also lacking. When reviewing the supply chain management practices at high technology companies, it will be useful to understand if there are differences between critical success factors at various high technology companies and non-high technology (or benchmark) companies (Berry, Seider and Gresham, 1997).

2.4 Environmental Factors

The environment of a business is the aggregation of the pattern of all the external and internal conditions and influences that affect the existence, growth and development of the business (David, 1999). Analysis of business environment is the examination and appraisal of the opportunities and threats provided by the environment as well as the potential strengths and weaknesses the business possesses. Opportunities and threats are associated with external environment of a business while strengths and weaknesses are associated with internal environment of the business. Consequently, external analysis examines opportunities and threats that exist in the environment while internal analysis examines strengths and weaknesses within the business.

Both opportunities and threats exist independently of the firm. If an issue would exist when a given business did not exist, then such an issue must be a factor in the external environment; otherwise, it is an internal environmental factor. Alternatively, an issue is an external environmental factor if it coexists with a business but the business cannot control or influence the issue. Opportunities are favorable conditions in the external environment that could produce rewards for the organization if acted upon properly. That is, they exist but must be acted on if the business is to benefit from them. Threats are conditions or barriers that may prevent the business unit from reaching its objectives.

Several studies have attempted to analyse or appraise the effects of environmental factors on various aspects of business organizations. These include Narver and Slater (1990); Jaworski and Kohli (1993); Norzalita and Norjaya (2010), investigated the role of the external environment in the market orientation-performance linkage among SMEs in the agro-food sector in Malaysia and found that market-technology turbulence and competitive intensity did not moderate the relationship between market orientation and business performance.

Pulendran, Speed and Widing (2000) observe that the external environment in which organizations operate is complex and constantly changing; a significant characteristic of the external environment is competition. Organizations that recognize the presence and intensity of competition have a greater tendency to seek out information about customers for the purpose of evaluation and to use such information to their advantage (Norzalita and Norjaya, 2010). Recognition of the threat from competition drives business organizations to look to their customers for better ways to meet their needs, wants, and thereby enhances organizational performance (Bhuiyan, 1997). Accordingly, when competition is perceived as a threat by the organization, there is a greater tendency to adopt a market orientation (Pulendran et al., 2000). There has been a long tradition of support for the assumption that environmental factors influence the effectiveness of organizational variables.

Indeed, several studies have investigated the association between different environmental factors and established the effects of moderating influences on organizational variables (Norzalita and Norjaya, 2010). Researchers have argued that firms should monitor their external environment when considering the development of a strong market-oriented culture (Kohli and Jaworski, 1990). To determine the influence of the external environment on business performance in transition economies. Norzalita and Norjaya, (2010), examined four factors: demand changes, product obsolescence, competitive pressures and product technology. These variables appear to mirror, respectively, four external factors, namely market growth - demand, market turbulence, competitive intensity and technological turbulence.

The internal and external factors examined in their study included strengths, weaknesses, opportunities and threats. They also analysed some dimensions that represented these variables. Their study showed that firm's strengths are related to their financial resources and the weaknesses are related to the firms' management. The study further revealed that the external factors which become opportunities to the firms are support and encouragement from the government, and that threats are the bureaucratic procedures that firms have to face in order to get plan approval and certificate of fitness. Thus, they emphasized that while firm's internal analysis is important to identify its strengths and weaknesses, its external analysis is important in order to identify current and future threats and opportunities, know its position and performance so that it can plan, compete and stay in business

2.5 Internal Environmental Factors

Organizations internal environment refers to the elements within the organization. Internally, an organization can be viewed as a resource conversion machine that takes inputs (labor, money, materials and equipment) from the external environment (i.e., the outside world), converts them into useful products, goods, and services, and makes them available to customers as outputs (Otley, 1999).

A business can never be profitable if it is ignoring the dynamic internal and external environment. By examining the internal and external environment, an organization develops its long term objectives and then it chooses a particular strategic pathway to achieve those objectives. But this entire process can be completed only after a careful analysis of internal and external environment. Although it is an aspect of strategic management, but for the convenience lets discuss it under the subject of managerial environment (David, 1999).

Along with the external environment, internal environment of an organization also keep on changing. An organization's internal environment is actually, composed of multiple elements existing within the organization, including management, current employees and most importantly corporate culture, which ultimately defines the employee behaviour (David, 1999).

Although few elements affect the organization as a whole and others affect only the manager and his/her operations. A manager's leadership style or philosophical directly puts impacts upon the employees (David, 1999). Conventional managers give explicit instructions to their employees; on the other hand progressive managers empower their employees to make them capable of taking their own decisions. Changes in the leadership style or/and managerial philosophy put considerable impact upon the organization.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a discussion of the outline of the research methodology that was used in this study. It focuses on the research designs, data collection methods and comes to a conclusion with the data analysis and data presentation methods that were used in this study.

3.2 Research Design

This was a case study which investigated the critical success factors adopted by CIC Group Limited in Kenya. This design was most appropriate for a single unit of study because it offered a detailed in depth analysis that gave valuable insights to phenomena.

This study was conducted through a case study and it was considered suitable as it allowed an in-depth study of the subject on investigation of critical success factors adopted by CIC Group Limited in Kenya.

According to Mugenda and Mugenda (2003), a case study involves a careful and complete examination of a social unit, institution, family, cultural group or an entire community and embraces depth rather than breath of the study. The primary purpose of a case study was to determine factors and relationships among the factors that have resulted in the behaviour under study. Since this study sought to investigate the critical success factors adopted by CIC Group Limited in Kenya, a case study design was deemed the best design to fulfil the objectives of the study.

3.3 Data Collection

In this study, emphasis was given to primary data. The primary data was collected using interview guide. An interview guide is a set of questions that the interviewer asks when interviewing (Mugenda and Mugenda, 2003). It makes it possible to obtain data required to meet specific objectives of the study. The interviewees were branch manager at head office, operations manager, strategy and development managers and business development manager at CIC Group Limited in Kenya.

Given that those who were interviewed were so many and the researcher required getting in-depth information on issues surrounding critical success factors in CIC Group Limited in Kenya, interview was regarded as the best method and the interview guide gave a clear guidance on what questions to ask. The interview guide has unstructured questions which was used so as to encourage the respondent to give an in-depth response without feeling held back in revealing of any information. With unstructured questions, a respondent's response may give an insight to his feelings, background, hidden motivation, interests and decisions and give as much information as possible without holding back.

3.4 Data Analysis

The qualitative analysis was done using content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Mugenda and Mugenda, 2003). It involved observation and detailed description of objects, items or things that comprise the sample of critical success factors on CIC Group Limited in Kenya

The data was obtained from the various management team members belonging to different departments and compared against each other in order to get more revelation on the issues under study. This research yielded qualitative data from the interview schedules and analyzed using content analysis because this study sought to solicit data that was qualitative in nature. Analysis of data collected was compared with the theoretical approaches and documentations cited in the literature review.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the data that was found on critical success factors adopted by CIC Insurance Group Limited in Kenya. The research was conducted among interviewees who included branch manager at head office, operations manager, strategy and development managers and business development manager at CIC Group Limited in Kenya. All the respondents participated in the study making a response rate of 100%. Mugenda and Mugenda (1999) stated that a response rate of 50% and above is a good for statistical reporting.

4.2 Background Information

The study initially sought to inquire information on various aspects of respondents' background. The aspects explored included respondents experience based on the number of years while working in the insurance industry. This information aimed at testing the appropriateness of the respondent in answering the questions regarding CSF in the insurance industry.

Respondent's years of experience with CIC Insurance Group Limited Subsidiaries

The study sought to establish the respondent's years of experience with CIC Group Limited subsidiaries. From the findings, three out of six respondents who participated in the study had two years experience with CIC Group Limited subsidiaries.

In addition, three out of the six respondents attested that they had over ten years of experience with CIC Group Limited subsidiaries. This depicts that the respondents had were well experienced in critical success factors adopted by CIC Insurance Group Limited, to give high quality of information.

Years of experience that the respondents' subsidiary has with CIC Insurance Group Limited

The study also sought to establish the number of years of experience that the respondents' subsidiary had with CIC Insurance Group Limited. According to the findings two out of six respondents posited that their subsidiaries had one year experience with CIC Insurance Group Limited.

In addition, one respondent posited that his subsidiary had 30 years of experience with CIC Insurance Group Limited while another one respondent indicated that his subsidiary had 20 years of experience with CIC Insurance Group Limited. This depicts that the respondents were highly skilled and implemented their mandate with high proficiency.

4.3 The Concept of Strategy

Mission and Vision Statements of the CIC Insurance Group Limited

The study sought to establish the Mission and Vision Statements of the CIC Insurance Group Limited. From the findings that study established that the Mission of the CIC Insurance Group Limited was: To provide financial security to the people through the corporative spirit. On the other hand, The Vision was: To be a world class provider of insurance and other financial services through cooperative spirit.

The key factors considered in formulating strategies

The research sought to establish the key factors considered in formulating strategies at CIC Insurance Group Limited. From the findings, the respondents indicated that the key factors considered in formulating strategies included; the company vision, mission, the growth opportunities available for the company in the market, the unexploited market, being a dominant player in the industry.

The other key factors considered in formulating strategies were; CIC unique history of being owned by cooperatives hence it has a special focus on cooperative and ordinary Kenyans, the company being innovative and competitive, the shareholding of the company, its resources which includes people, capital and assets. Other key factors considered in formulating strategies were the market environment, macroeconomic factors and channels of distribution.

Implementing the chosen strategies

The researcher also sought to find out the how the company implemented the chosen strategies. The researched revealed that the company Used balance scorecard in implementing the chosen strategies. The company also implemented the chosen strategies by coming up with strategic business unit to handle the identified market, opening up more distribution channels including branches, through regional expansion, by establishing strong distribution network through conventional branches, agents and through developing alternative channels like through web based and mobile phone based services.

The implementation of the chosen strategies was also done by innovative solutions for the clients' needs, training of shareholders to own the strategy. It was also conducted through recruiting and training of resource staff to implement' the chosen strategies through monitoring and evaluation. The implementation of the strategy starts with the top management and trickles down to the other departments. The implementation of the chosen strategies is done through the five years strategic plan.

Person responsible in strategic implementation in the organization

The study sought to establish the persons responsible in strategic implementation in the organization. According to the findings, the strategic implementation in the organization was carried out by the group CEO, managing directors and all managers, heads of department, and senior management team.

Rate at which the policies at CIC Insurance Group Limited on implementation updated

The research sought to find out how often the policies at CIC Insurance Group Limited on implementation were updated. From the findings, the respondents indicated that the policies at CIC Insurance Group Limited on implementation were updated quarterly, annually, and after every five years.

Strategic management practices employed by your organisation

The respondents were required to indicate the strategic management practices employed by the organisation. According to the findings, the strategic management practices employed were; Planning, monitoring and evaluation,

Other strategic management practices included the use of relationship management with customers, through partnership with relevant associations, Innovation, research, alternative distribution channel, technology, need based product development approach to the market, monitoring and evaluation, recruitment of resource staff and developing the existing staff, regular training on products and processes, performance management on quarterly basis, product review and development.

4.4 Critical Success Factors at CIC Insurance Group Limited

The critical success factors that have enabled CIC Insurance group limited to be successful

The study sought to find out the critical success factors that have enabled CIC Insurance group limited to be successful. From the findings, the critical success factors that have enabled CIC Insurance group limited to be successful included; proper planning, clear communication, shared values, being honest to the customers as indicated by the slogan, 'we keep our word', and excellent claims settlement that has endeared the public to the company.

Other CSFs that made the company successful were the open door policy with little bureaucracy, empowerment of staff to manage their areas with minimal supervision, partnership within cooperatives sector and other sectors like education, investment in new areas like diaspora, strengthening existing channels like the brokers and agents, focusing on customer service, establishment of call centers, investment in staff satisfaction, product offering, culture, customer service, innovative distribution channels, teamwork and empowerment, good and visionary leadership, updated ICT systems, innovation and research.

Factors that influence internal business environments

The study also sought to establish the factors that influence internal business environments at CIC Group Limited. From the findings, the respondents posited that the factors that influence internal business environments include; staff empowerment, customer focus, service level agreements, company values especially teamwork, productivity, dynamism and integrity.

Other factors that influence internal business environments were; management style, use of ICT in service delivery, organizational culture, technology use, teamwork, company vision, vision and values, staff empowerment, staff satisfaction, inter-departmental corporation, remuneration, teamwork, innovation and dynamism.

Monitoring internal environmental factors when considering the development of a strong market-oriented culture

The study sought to establish when the CIC Group Limited monitored its internal environmental factors when considering the development of a strong market-oriented culture. The respondents attested that the company monitored its internal environmental factors semiannually, when the business is growing, when there is a slow-down in some market, when the company makes loss.

The respondents also posited that the company conducts monthly management meetings to analyse production; department meetings, and weekly senior management meetings. Monitoring of internal environmental factors is further done through the annual customer satisfaction surveys.

Critical success challenges facing CIC insurance group limited

The respondents were required to indicate the critical success challenges facing CIC insurance group limited arising from its tremendous growth. The respondents attested that the challenges facing CIC insurance group limited arising from its tremendous growth were fast growth strain in structure, processes and procedures and inadequate capital, challenge of managing growth, erosion of company values due to rapid implementation of decision, and stiff and unhealthy competition, socio-economic environment, political environment and pricing. The company also faced challenges while aligning human resource with skill and, expertise to emerging needs.

Extent to which critical success factors influence CIC insurance limited operations in gaining a positive competitive advantage

The researcher further sought to establish the extent to which the critical success factors influenced CIC insurance limited operations in gaining a positive competitive advantage. From the findings, the research established that CSFs facilitated a better customer focus, it led to Easy and fast decision making process thus gaining first move advantage in the insurance sector. It also led to fast claims experience which put the company ahead of competition in the industry.

It further helped in formation of specialized business units that enable the company give personalized services. The CSFs have been instrumental in building confidence in the market, among intermediaries and staff. While at the same time the company analyses the CSFs challenges and responds accordingly to ensure sustainable growth and maintaining the positive image. The technological advancement is key since systems are essential for efficiency in operation.

Extent to which critical success factors define key areas of performance, essential for the organization to accomplish its mission

The researcher also inquired from the respondents on the extent to which the critical success factors defined key areas of performance that are essential for the organization to accomplish its mission. From the findings, the respondents indicated that CSFs defined key areas of performance to a very great extent, as they are the cornerstone when developing annual opening plans and staff.

The respondents further posited that the company is able to choose areas of operation which will enable a company operate without straining, and that CIC has been key in defining key performance measures for departments s they play a key role in improving performance of the company.

Effect of CSFs resulting from economic or technological changes on performance

The study sought to establish the effect of CSFs resulting from economic or technological changes on performance. From the findings, the research established that the company has to be adaptive for the company to remain relevant and competitive through economic or technological changes.

In addition, the economic or technological changes have enabled the company adopt new ways of doing business. The economic factors like high interest rates affect loan portfolio for personal, car loans or assets thus affect insurance business. In technological factors, web-based and mobile phone based insurance applications make it convenient in terms of distribution of insurance to mass market thus has a direct impact on the growth of the business.

Impact of CSFs resulting from internal organizational needs on performance

The research further sought to find out the impact of CSFs resulting from internal organizational needs on the performance of CIC Group Limited. According to the research findings, the business has been enhanced to a great extent by the CSFs resulting from internal organizational needs. The capacity greatly affects performance. On the other hand, the company structures itself into strategic business units able to respond rapidly to customers' needs which have resulted to business growth, enhanced efficiency, improved customer loyalty.

Effect of adoption of ICT facilities as a CSF on gaining positive competitive advantage

The study also sought to establish whether the adoption of ICT facilities as a CSF in the operations influenced the gaining of a positive competitive advantage on the market. The study found out that adoption of ICT facilities helped increase the linking between insurance branches, the ICT facilities have led to efficient service delivery to customers and hence competitive advantage. In addition, the adoption of ICT facilities has enhanced the company distribution model and improved efficiency.

4.5 Discussion

Quinn (1980) defines strategy as the pattern or plan that integrates an organization's major goals, policies and action sequences into a cohesive which goes further to state that a well formulated strategy helps to marshal and allocate an organization's resources into a unique and viable posture based on its relative internal competencies and shortcomings, anticipated changes in the environment and contingent moves by intelligent opponents. This is in line with from the findings that study established that the Mission of the CIC Insurance Group Limited was: To provide financial security to the people through the corporative spirit. On the other hand, The Vision was: to be a world class provider of insurance and other financial services through cooperative spirit.

According to Kiptugen, (2003), the strategic implementation in the organization was carried out by the group CEO, managing directors and all managers, heads of department, and senior management team. Other strategic management practices included the use of

relationship management with customers, through partnership with relevant associations, Innovation, research, alternative distribution channel, technology, need based product development approach to the market, monitoring and evaluation, recruitment of resource staff and developing the existing staff, regular training on products and processes, performance management on quarterly basis, product review and development.

According to Rockart and Bullen, (1981), Critical success factors (CSFs) have been used significantly to present or identify a few key factors that organisations should focus on to be successful. As a definition, critical success factors refer to the limited number of areas in which satisfactory results will ensure successful competitive performance for the individual, department, or organisation. The study findings CSFs that made the company successful were the open door policy with little bureaucracy, empowerment of staff to manage their areas with minimal supervision, partnership within cooperatives sector and other sectors like education, investment in new areas like diaspora, strengthening existing channels like the brokers and agents, focusing on customer service, establishment of call centers, investment in staff satisfaction, product offering, culture, customer service, innovative distribution channels, teamwork and empowerment, good and visionary leadership, updated ICT systems, innovation and research.

Both opportunities and threats exist independently of the firm. If an issue would exist when a given business did not exist, then such an issue must be a factor in the external environment; otherwise, it is an internal environmental factor.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary, conclusion and recommendations of the study on critical success factors adopted by CIC Insurance Group Limited in Kenya.

5.2 Summary of Findings

The section covers a summary of the key findings as established by the study. The section gave the findings on the concept of the strategy of CSR and later the section gives the CSR adopted by CIC insurance group limited.

5.2.1 The Concept of Strategy

The study established that the mission and vision statements of the CIC Insurance Group Limited. The Mission of the CIC Insurance Group Limited was: To provide financial security to the people through the corporative spirit. On the other hand, The Vision was: To be a world class provider of insurance and other financial services through cooperative spirit.

The study established that the key factors considered in formulating strategies at CIC Insurance Group Limited included; the company vision, mission, the growth opportunities available for the company in the market, the unexploited market, being a dominant player in the industry, CIC unique history of being owned by cooperatives

hence it has a special focus on cooperative and ordinary Kenyans, the company being innovative and competitive, the shareholding of the company, its resources which includes people, capital and assets. Other key factors considered in formulating strategies were the market environment, macroeconomic factors and channels of distribution.

On how the company implemented the chosen strategies, the study established that the company used balance scorecard in implementing the chosen strategies. The company also implemented the chosen strategies by coming up with strategic business unit to handle the identified market, opening up more distribution channels including branches, through regional expansion, by establishing strong distribution network through conventional branches, agents and through developing alternative channels like through web based and mobile phone based services. The implementation of the chosen strategies was also done by innovative solutions for the clients' needs, training of shareholders to own the strategy. It was also conducted through recruiting and training of resource staff to implement' the chosen strategies through monitoring and evaluation. The implementation of the strategy starts with the top management and trickles down to the other departments. The implementation of the chosen strategies is done through the five years strategic plan.

On the persons responsible in strategic implementation in the organization, the study established that the strategic implementation in the organization was carried out by the group CEO, managing directors and all managers, heads of department, and senior management team.

The research further found out that the policies at CIC Insurance Group Limited on implementation were updated on quarterly basis, annually, and after every five years. The study established the strategic management practices employed by the organisation were; planning, monitoring and evaluation, use of relationship management with customers, through partnership with relevant associations, Innovation, research, alternative distribution channel, technology, need based product development approach to the market, monitoring and evaluation, recruitment of resource staff and developing the existing staff, regular training on products and processes, performance management on quarterly basis, product review and development.

5.2.2 Summary of Critical Success Factors at CIC Insurance Group Limited

The study established the critical success factors that have enabled CIC Insurance group included; proper planning, clear communication, shared values, being honest to the customers as indicated by the slogan, 'we keep our word', and excellent claims settlement that has endeared the public to the company. Other CSFs that made the company successful were the open door policy with little bureaucracy, empowerment of staff to manage their areas with minimal supervision, partnership within cooperatives sector and other sectors like education, investment in new areas like diaspora, strengthening existing channels like the brokers and agents, focusing on customer service, establishment of call centers, investment in staff satisfaction, product offering, culture, customer service, innovative distribution channels, teamwork and empowerment, good and visionary leadership, updated ICT systems, innovation and research.

On the factors that influence internal business environments at CIC Group Limited, the study established them to include; staff empowerment, customer focus, service level agreements, company values especially teamwork, productivity, dynamism and integrity. Other factors that influence internal business environments were; management style, use of ICT in service delivery, organizational culture, technology use, teamwork, company vision, vision and values, staff empowerment, staff satisfaction, inter-department corporation, remuneration, teamwork, innovation and dynamism,

The study established that the CIC Group Limited monitored its internal environmental factors when considering the development of a strong market-oriented culture semiannually, when the business is growing, when there is a slow-down in some market, when the company makes loss. The respondents also posited that the company conducts monthly management meetings to analyse production; department meetings, and weekly senior management meetings. Monitoring of internal environmental factors is further done through the annual customer satisfaction surveys.

The critical success challenges facing CIC insurance group limited arising from its tremendous growth were established to include fast growth strain in structure, processes and procedures and inadequate capital, challenge of managing growth, erosion of company values due to rapid implementation of decision, and stiff and unhealthy competition, socio-economic environment, political environment, pricing. The company faced challenges while aligning human resource with skill to emerging needs.

On the extent to which the critical success factors influenced CIC insurance limited operations in gaining a positive competitive advantage, the research revealed that CSFs facilitated a better customer focus, led to easy and fast decision making process thus gaining first move advantage in the insurance sector. It also led to fast claims experience which put the company ahead of competition in the industry. It further helped in formation of specialized business units that enable the company give personalized services. The CSFs have been instrumental in building confidence in the market, among intermediaries and staff. While at the same time the company analyses the CSFs challenges and responds accordingly to ensure sustainable growth and maintaining the positive image. The technological advancement is key since systems are essential for efficiency in operation.

On the extent to which the critical success factors defined key areas of performance that are essential for the organization to accomplish its mission, the research revealed that CSFs defined key areas of performance to a very great extent, as they are the cornerstone when developing annual opening plans. The respondents further posited that the company is able to choose areas of operation which will enable a company operate without straining, and that CIC has been key in defining key performance measures for departments as they play a key role in improving performance of the company.

The study established the effect of CSFs resulting from economic or technological changes on performance to include the fact that the company has to be adaptive for the

company to remain relevant and competitive through economic or technological changes. In addition, the economic or technological changes have enabled the company adopt new ways of doing business. The economic factors like high interest rates affect loan portfolio for personal, car loans or assets thus affect insurance business. In technological factors, web-based and mobile phone based insurance applications make it convenient in terms of distribution of insurance to mass market thus has a direct impact on the growth of the business.

On the impact of CSFs resulting from internal organizational needs on the performance of CIC Group Limited, the research further revealed the business has been enhanced to a great extent by the CSFs resulting from internal organizational needs. The capacity greatly affects performance. On the other hand, the company structures itself into strategic business units able to respond rapidly to customers' needs which have resulted to business growth, enhanced efficiency, improved customer loyalty.

The study found out that adoption of ICT facilities has helped to increase the linking between insurance branches, the ICT facilities have led to efficient service delivery to customers and hence competitive advantage. In addition, the adoption of ICT facilities has enhanced the company distribution model and improved efficiency.

5.3 Conclusion

The section covers conclusions of the study. The section gave the findings on the concept of the strategy of CSR and later the section gives the CSR adopted by CIC insurance

group limited.

The study concluded that the mission and vision statements of the CIC Insurance Group Limited. The Mission of the CIC Insurance Group Limited was: To provide financial security to the people through the corporative spirit. On the other hand, The Vision was: To be a world class provider of insurance and other financial services through cooperative spirit.

The study concluded that the key factors considered in formulating strategies at CIC Insurance Group Limited included; the company vision, mission, the growth opportunities available for the company in the market, the unexploited market, being a dominant player in the industry, CIC unique history of being owned by cooperatives hence it has a special focus on cooperative and ordinary Kenyans, the company being innovative and competitive, the shareholding of the company, its resources which includes people, capital and assets. Other key factors considered in formulating strategies were the market environment, macroeconomic factors and channels of distribution.

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On the persons responsible in strategic implementation in the organization, the study concluded that the strategic implementation in the organization was carried out by the group CEO, managing directors and all managers, heads of department, and senior management team. The research further found out that the policies at CIC Insurance Group Limited on implementation were updated on quarterly basis, annually, and after every five years.

The study concluded the strategic management practices employed by the organisation were; planning, monitoring and evaluation, use of relationship management with customers, through partnership with relevant associations, Innovation, research, alternative distribution channel, technology, need based product development approach to the market, monitoring and evaluation, recruitment of resource staff and developing the existing staff, regular training on products and processes, performance management on quarterly basis, product review and development.

The study also concluded that the critical success factors that have enabled CIC Insurance group included; proper planning, clear communication, shared values, being honest to the customers as indicated by the slogan, 'we keep our word', and excellent claims settlement that has endeared the public to the company. Other CSFs that made the company successful were the open door policy with little bureaucracy, empowerment of staff to manage their areas with minimal supervision, partnership within cooperatives sector and other sectors like education, investment in new areas like diaspora, strengthening existing channels like the brokers and agents, focusing on customer service, establishment of call centers, investment in staff satisfaction, product offering, culture, customer service, innovative distribution channels, teamwork and empowerment, good and visionary leadership, updated ICT systems, innovation and research.

On the factors that influence internal business environments at CIC Group Limited, the study concluded that they included; staff empowerment, customer focus, service level agreements, company values especially teamwork, productivity, dynamism and integrity. Other factors that influence internal business environments were; management style, use of ICT in service delivery, organizational culture, technology use, teamwork, company vision, vision and values, staff empowerment, staff satisfaction, inter-department corporation, remuneration, teamwork, innovation and dynamism.

The study concluded that the CIC Group Limited monitored its internal environmental factors when considering the development of a strong market-oriented culture semiannually, when the business is growing, when there is a slow-down in some market,

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The critical success challenges facing CIC insurance group limited arising from its tremendous growth were concluded to include fast growth strain in structure, processes and procedures and inadequate capital, challenge of managing growth, erosion of company values due to rapid implementation of decision, and stiff and unhealthy competition, socio-economic environment, political environment, pricing. The company also faced challenges while aligning human resource with skill and, expertise to emerging needs.

On the extent to which the critical success factors influenced CIC insurance limited operations in gaining a positive competitive advantage, the research concluded that CSFs facilitated a better customer focus, led to easy and fast decision making process thus gaining first move advantage in the insurance sector. It also led to fast claims experience which put the company ahead of competition in the industry. It further helped in formation of specialized business units that enable the company give personalized services. The CSFs have been instrumental in building confidence in the market, among intermediaries and staff. While at the same time the company analyses the CSFs challenges and responds accordingly to ensure sustainable growth and maintaining the positive image. The technological advancement is key since systems are essential for

efficiency in operation.

On the extent to which the critical success factors defined key areas of performance that are essential for the organization to accomplish its mission, the research concluded that CSFs defined key areas of performance to a very great extent, as they are the cornerstone when developing annual opening plans. The respondents further posited that the company is able to choose areas of operation which will enable a company operate without straining, and that CIC has been key in defining key performance measures for departments s they play a key role in improving performance of the company.

The study concluded the effect of CSFs resulting from economic or technological changes on performance to include the fact that the company has to be adaptive for the company to remain relevant and competitive through economic or technological changes. In addition, the economic or technological changes have enabled the company adopt new ways of doing business. The economic factors like high interest rates affect loan portfolio for personal, car loans or assets thus affect insurance business. In technological factors, web-based and mobile phone based insurance applications make it convenient in terms of distribution of insurance to mass market thus has a direct impact on the growth of the business.

On the impact of CSFs resulting from internal organizational needs on the performance of CIC Group Limited, the research further concluded that the business has been enhanced to a great extent by the CSFs resulting from internal organizational needs. The

capacity greatly affects performance. On the other hand, the company structures itself into strategic business units able to respond rapidly to customers' needs which have resulted to business growth, enhanced efficiency, improved customer loyalty. The study finally concluded that adoption of ICT facilities has helped to increase the linking between insurance branches, the ICT facilities have led to efficient service delivery to customers and hence competitive advantage. In addition, the adoption of ICT facilities has enhanced the company distribution model and improved efficiency.

5.4 Recommendations

The study recommends that the management of CIC Group Limited should offer regular training to its human capital to equip them with skills and expertise in order to keep its workforce efficient in its implementing its mandate.

The study recommends that the management of CIC Group Limited should review their policies guiding the formulation of CSFs and identify the existing gaps to address the missing links in the policies.

The study recommends that the company structures should be reorganised into strategic business units to be able to respond to customers' needs in the shortest time possible to enhance efficiency and improved customer loyalty.

5.5 Areas for further research

Since this study explored on critical success factors adopted by CIC Insurance Group

Limited in Kenya, the study recommends that; similar study should be done on critical success factors adopted by public institutions in Kenya for comparison purposes and to allow for generalization of findings on the critical success factors adopted by organizations in Kenya.

5.6 Implication of the Study on Policy, Theory and Practice

The study contributed to the policies development in that the emerging issues like ICT, changing insurance environment due to the restructuring of the insurance industry, that affect CSR implementation need to be incorporated in the formulation of CSFs.

The study also identified the CSR adopted by the CIC insurance limited, citing the CSR that have made it gain a competitive edge in the insurance industry. The CSR could be adopted by other players in the industry in their practice on CSR to remain competitive.

The study also contributed towards development of the theories on the concept of strategy. It argued that the changing environment and technological advancement in the insurance industry necessitates review of the existing theories in the strategy development.

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Appendix I: Student Introduction Letter

EUNICE KANANU GITUMA

UNIVERSITY OF NAIROBI,

P.O BOX 1243, 00502

NAIROBI

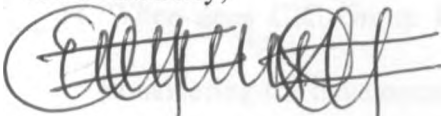
Dear Sir/Madam,

RE: REQUEST FOR YOUR PARTICIPATION IN MBA RESEARCH PROJECT

I am a student at the University of Nairobi pursuing a Master of Business Administration. As part of my coursework, I am required to carry out and submit a research project report on critical success factors adopted by CIC insurance group limited in Kenya.

To achieve this objective, I kindly request for your assistance in completing the attached copy of interview guide. I assure you the information you provide is purely for academic purposes and will be treated with utmost confidentiality. Should the finding of this Research Project be of interested to you or your organization, a copy would be available at the University of Nairobi Library.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Eunice Kananu Gituma', written over a faint, illegible background.

EUNICE KANANU GITUMA

APPENDIX I: INTERVIEW GUIDE

Background Information

1. What is your title and responsibilities in your company?
2. How many years of experience do you (personally) have with CIC Group Limited teams?
3. How many years of experience does your company have with CIC Group Limited teams?

The Concept of Strategy

4. What are the Mission and Vision Statements of the CIC Group Limited?
5. What are the key factors considered in formulating strategy at CIC Group Limited?
6. How does your company go about implementing the chosen strategies?
7. Who is responsible in strategic implementation in your organization?
8. How often are the policies at CIC Group Limited on implementation updated?
9. What are the strategic management practices employed by your organisation as pertain to your department?

Critical success factors

10. What factors influences internal business environments at CIC Group Limited?
11. When does CIC Group Limited monitor its internal environment factors when considering the development of a strong market-oriented culture?
12. What are the Critical success factors at CIC Group Limited faces?To what extent do Critical success factors influence CIC Group Limited operation to gaining a positive competitive advantage?

13. To what extent does Critical success factors (CSFs) define key areas of performance that are essential for the organization to accomplish its mission?
14. How does CSFs resulting from economic or technological changes?
15. How has CSFs resulting from internal organizational needs and changes of CIC Group Limited?
16. Have adoption of ICT facilities as a CSF in the operations influence the gaining a positive competitive advantage on the market?