AGILITY STRATEGIES AND COMPETITIVE ADVANTAGE OF INSURANCE COMPANIES IN KENYA

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DECLARATION

This Project is my original work and has not been presented for a degree or any other award in any other university.

Sign…………………………. Date………………………………..

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This project has been submitted with my approval as the University Supervisor

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DEDICATION

This project is dedicated to my loving wife Rhoda Mwendandu Kinako for her care, encouragement, support and prayers. To my son Nako Kinako and lovely daughter Nakoni Kinako for their inspiration. To my parents Linah Mia Kinako and Mr. Daniel Kinako Musembi for all the support they have given me.I love you all, each and every one.

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LIST OF ABBREVIATIONS AND ACRONYMS

AG	Agility Strategies
ANOVA	Analysis of Variance
CA	Competitive Advantage
IIK	Insurance Institute of Kenya
IRA	Insurance Regulatory Authority
RBV	Resource-Based View
SPSS	Social Statistical Packages for Social Sciences
TQM	Total Quality Management (TQM)
VRIO	Valuable, Rarity, Imitability, and Organizational

ABSTRACT

Firms in today's world face great environmental turbulence due to ever-evolving competition, changing technology, fluctuating demand and disruption in the supply chain caused by manmade or natural disasters among others (Long, 2012). High levels of environmental turbulence can paralyze a firm's operations. The objective of this study was to determine the effects of agility strategies on competitive advantage of insurance companies in Kenya. The research study used a descriptive research design. The population for this study comprised all the 52 registered insurance companies in Kenya. The study took a census approach since the population was not large. The researcher used a questionnaire as the primary data collection instrument. The data collected was assessed and comparison made so as to select the most accurate and quality information from the feedback given by various respondents. The quantitative data was coded to enable the responses to be grouped into various categories. Descriptive statistics analysis was employed to analyse the quantitative data. The analysed data was interpreted in terms of averages and standard deviation using assistance of computer packages especially SPSS (version 22). The qualitative data were analysed using content analysis and presented in prose. This study conducted a regression analysis to establish the relationship between the variables in the study. Regression coefficient was used to determine the strength and the direction of the relationship between the dependent variable and the independent variable. The study found out that the insurance companies have put in place four major agility strategies namely; innovativeness, operation dexterity, total quality management and resource fluidity in order to improve its competitive advantage The researcher found out that human resource management and product design are total quality management strategies adopted by most of the insurance companies in Kenya affects to a great extent competitive advantage. The study findings also established that most companies are always pro-active and take the 1st step and also have flexible and easily adapts to changes in the environment in order to adjust its competitive a advantage.The study concludes that agility strategies affect competitive advantage of insurance companies in Kenya. The study further concludes that the insurance companies have put in place four major agility strategies namely; innovativeness, operation dexterity, total quality management and resource fluidity in order to improve its competitive advantage. It was clear that efficiency improvement and enterprise resourcing affects the competitive advantage of insurance companies to a great extent. The study also concludes that human resource management and product design are total quality management strategies that affect competitive advantage of insurance companies in Kenya to a great extent. The study finally concludes that insurance companies are always pro-active and take the first step and also have flexible and easily adapts to changes in the environment. This study recommended that formulation of appropriate agility strategies policies by the managers of insurance companies in order to adequately address the strategy needs. The study also recommends that managers of the insurance companies should embrace innovativeness strategies on a wider range among other strategies since it has a great effect on insurance companies' competitive advantages than other strategies The study further recommends that human resource management and product design which are aspects of total quality management strategies they should be first considered when using total quality management strategy to build its competitive edge, these aspects have a great influence on the competitive advantage of insurance companies.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

For contemporary firms, agility is an imperative for success as they face unprecedented time-to-market pressures, globalization and extra-ordinary competition. As argued by Vokurka, Zank and Lund (2012) the most valuable effects of agility are being embraced and supported more pragmatic emerges on the connection between agility and organization competitiveness. Firm's agility and/or the capability to perform changes and diverse competitive ways with destruction of competition, speed and surprises' attention as a market being able to compete efficiently in the recent market atmosphere (Sambamurthy, Chakravarty & Grewal, 2013). Nimble organizations are resistant to shocks and disturbances in their market grounds, there are able to adopt the incoming advantages, and market in creating new business structures or equal competitive ways (Bharadwaj & Sambamurthy, 2010). Insurance companies without exception therefore are bound to be agile if they are to compete effectively and be resilient in the globally competitive business world.

Marketing in the past years despite its size has changed to be a piece of the world's market group impacted by changes in social world, events and forces from all parts of the world. Organizations' face forces for changes in many ways, pushed both externally and internally by factors such as new competitive grounds, changes in technology and new processes of production, ever evolving government regulations, upcoming markets, changes in risk identities, upgraded customer requirements and bigger opportunities in business growth. Firm reactions to these changes can happen in many ways, for example, new capable infrastructure, adopting new technology and policies, lowering exposure in markets risks, creating new services, and removing all risk markets (Bharadwaj & Sambamurthy, 2010).

Globally, strategy and risk formulation has taken into account functional areas such as business development, accounting and finance, human resource management and information management (Kibicho, 2015). The competitive business environment has resulted into all round and style of business administration. The management of different and many sided in-door actions is only a very small percentage of the current executives' duties. The organizations direct outer surrounding has created another set of challenges to deal with. So as to tackle all the effects of a firm efficiently to enhance profitability, managers come up with planned systems they anticipate will help the overall position of the company in its competitive surrounding (Lagrosen, 2013). By spotting their centre competencies, insurance companies are able to be attentive on areas that give them profits over those they compete with. Johnson and Scholes (2008) indicated that centre competition is more great and hard to copy because it is linked to the administration of connections in the company principles chain and no connections in to the distribution chain and supply chains.

This study was moored on the Resource-Based View of the firm which recommends that execution of a firm is driven by the asset profile of the firm while the wellspring of predominant execution is inserted in the ownership and arrangement of particular assets that are hard to mimic (Maister, 1993). The study was additionally bolstered by Schumpeterian hypothesis of advancement and market control and upper hand hypothesis. Schumpeter's (1934) hypothesis of creative benefits underlines the part of enterprise and the searching out of chances for novel esteem producing exercises which would extend (and change) the roundabout stream of wage, yet it did as such with reference to a refinement between development or disclosure from one perspective and advancement, commercialization and business enterprise on the other. In this hypothesis, Schumpeter accentuates on oddity making financial movement which creates new wellsprings of significant worth including profitable attempt, and which irritates the round stream of salary. The upper hand hypothesis proposed by Porter (1985) has pulled in significant research enthusiasm because of contemporary issues with respect to prevalent execution levels of firms in the present focused economic situations. It suggests that effectively actualized methodologies will lift a firm to prevalent execution by encouraging the firm with upper hand to outflank present or potential players (Kubr, 1996).Insurance companies in Kenya face the challenges of fluctuating demand and stiff competition from new entrants of local insurance companies as well as well-established multinational insurance companies operating in the country. The public is increasingly following special interests and an upsurge in the number of insurance companies, which poses greater challenges for the players in the industry (Kilonzi, 2013). In addition, the current customer in the information era is more informed with greater access to information, which enables them compare and contrast the various players in the industry. Therefore, insurance companies have a daunting task of making sure that they do not only address the needs of their customers but exceeds their expectations. Competitive advantage is what will make the companies remain competitive (Wanja, 2013).

1.1.1 Agility Strategies

Spryness is the capacity to see how speedy turns and having the ability to change and revamp the organization without losing vitality (Weill and Vitale, 2012). It was seen by Swafford (2010) that dexterity is having the capacity to continually and adequately alter and settle in great time the arrangements bearing in center business in connection to fluctuating positions. Key dexterity can at the perfect place and correct time realize associations that can create the best buyers. All associations and Insurance organizations that have arrangements can add enormously to the adequacy of the thousand year’s development points by putting into financial advancement (Lagrosen, 2013).

A decent business playing ground depends on exceptional mechanical advancement; incredible customers with awesome needs and short -term life arrangement on the planet's economy have significantly informed market perceivability and enhanced questions (Swafford, 2010). Fabricating deliberately dexterous firms is an approach to oversee unanticipated changes and dangers confronted by firms. Deliberately light-footed firms use of techniques went for being responsive and adaptable to client needs, while the dangers of supply deficiencies or disturbances are supported by pooling stock or other limit assets. Deftness in today's atmosphere is completely incorporated into the business culture. It's the calm yet capable drive behind the capacity to change rapidly, on the grounds that pioneers and administrators perceive as the indications of progress.

Businesses and enterprises that can react to the progressions, incredible and sporadic push of clients on the fore front, while decreasing the back closure dangers to convey impedances (Lagrosen, 2013) are viewed as exceptionally responsive. Such associations’ impact critical affix wide consents to turn on a little, giving the fitting item at the required cost all around. Hence, vital dexterity needs an association to transform from a robotic working machine to expertise prepare into a natural, accelerate learning firm that gives abilities as a fundamental item (Sambamurthy, Chakravarty and Grewal, 2013).

1.1.2 Competitive Advantage

Alvesson (2013) explains that an organizations capability to work in many different ways that the opponents will not and can never copy is what is termed as a competitive advantage. So as to profit in creating an everlasting competitive advantage, an organization must try by all means to give what the buyers term as of great value. This is either a product with very high quality at a low price, or one that has value for more. Morrish and Lee (2011) illustrate that competitive advantage embraced by an organization has a cycle with three levels of: a period from building a consistent time provides an organization with time to gain normal profits and recapture investments that are made to build the profits and reducing time where the competitive advantage caught by the organization is reduced because of replication, copying, advanced technology and hit backs by competitors. Porter and Kramer (2006) explained the importance of a new theory for examining the position of a state by spotting four determinants of general advantage. The determinants are conditions of factor, demand, supporting industries and the organizations' process and way of challenge impacts.

A specific competitive advantage on competitions in one way of rivalry helps the organization to serve better the consumer in a specific manner. So as to attain great results, mostly continuous great results; an organization frequently requires many competitive advantages. Defeating opponents on many different ways is important for the success of a firm. Predictably, great organizations mostly succeed in many ways. Banking only on any person is an advantage, even the specific one, might carry the organization through momentarily. Building a collection of many growing competitive advantages and repairing such collections in a timely fashion, still, will probably make constant great performance more gladly achievable (Kilonzi, 2013).

1.1.3 Insurance Companies in Kenya

The Insurance business in Kenya is contained of Fifty two insurance companies. Other players include one hundred and ninety six insurance brokers, thirty four medical insurance providers (MIP's), four claims settling agents, one hundred and thirty six claims investigators, one hundred and seventeen registered motor-assessors, thirty one claims and/or loss- adjusters, nine risk- managers and thirty one approved insurance -surveyors. The largest single player has been insurance agencies with total of Six thousand five hundred ninety six (6,596) practioners. Cumulatively, the aggregate number of players in the sector was seven thousand two hundred and six (7,206) by July of 2016 (IRA, 2016).

The business of Insurance is regulated and fully controlled by Insurance Act Chapter 487 of Kenyan Laws first enacted 1986. The department (Insurance) was under Ministry of Finance and was then headed by Commissioner of Insurance appointed by the relevant government Minister. The Insurance (Amendment) Act of 2006 carried on 30th December, 2006 introduced the Insurance Regulatory Authority (IRA) to draw up the position of regulation, supervision and developing policies in line with Kenya Vision 2030. The act was operationalised on May 2007 and since then several amendments have been done in response to evolving needs, challenges and market trends. The administering body of the business is the Insurance Institute of Kenya (IIK) that through college of Insurance handles particularly training and development of professionals. In the past decade, Insurance Regulatory Authority has made immense progressive in the supervision, regulation and control of the protection business players (IRA, 2016).

The matter of protection can broadly be arranged in to two main categories namely; general underwriting business and Life insurance. Despite the fact that this order of various classes of protection, they are still observed as methods for business with a benefit fundamental thought. The Association of Kenya Insurers protection infiltration of 2014 was at three percent with non-life premium at only two percent .This was implied by all gross premiums of ninety two billion shillings with non-life premium at Kes 61.7 Billion. The total net profits of the entire business were at 8.0 billion with majority of profits been from investing and long term business leaving underwriting profits to less than 50% which translated to only Kes 3.02 Billion. The sub-sector recorded a yearly increment of approximately 20% altogether premiums furthermore strengthening the expanding potential the business can achieve(Kenya Insurance review, 2015).

In spite of the fact that there is expanding potential the business is quickly having raucous change driven by administration and competition. The Insurance Regulatory Authority (IRA) as other financial supervisory agents propelled Risk Based Supervision in 2012. This approach of Supervision comprises surveying every insurance entity particularly on the foot of the quantum of hazard it bore and to request that the entity especially the Insurance companies set aside enough cash for administration and mitigation of dangers (IRA, 2015).The idea that this progress brings is that it exchanges from one fit all cash expected to bring profited on the quantum of hazard borne. In the end, what the driver has done is to change chance administration into quite a while upper hand. In the different claim of this event, are the actualities that execution checking has turned into a procedure for imperative to pulling in business execution (IRA, 2016). The issues of this industry and the dangers that the organizations are uncovered may essentially be diminished if the business is deft.

1.2 Research Problem

Firms in this day and age confront extraordinary ecological turbulence due to continually developing rivalry, evolving innovation, fluctuating interest and interruption in the store network brought on by synthetic or characteristic calamities among others (Long, 2012). Abnormal amounts of natural turbulence can deaden entity operations. Thusly, overseeing instability and diminishing danger ought to be at the centre of firms. Deliberately lithe firm's use of techniques went for being responsive and adaptable to client needs, while the dangers of supply deficiencies or disturbances are supported by pooling stock or other limit assets keeping in mind the end goal to manage the organization's intensity (Naldi, 2014). Firms that have the capacity to be receptive to the changing, differing and flighty requests of clients toward the front, while minimizing the back end dangers to supply disturbances can be viewed as deliberately coordinated. On the off chance that an organization ignores the significance of dexterity, the results can be shocking particularly on its intensity and thus its execution (Lagrosen, 2013).

The Kenyan Insurance businesses encountered a lower development rate amid the quarter under survey contrasted with that recorded in the primary quarter of 2015. Premiums achieved in the first three months of 2016 enrolled a year-on-year up-ward growth of 9.6% while a 16.4% year-on-year development was enlisted in the principal quarter of 2015. As per the Kenya Insurance Industry report distributed by the Insurance Regulatory Authority (2014), political issues and a precarious monetary atmosphere of 2013 have not prevented the industry from thriving in Kenya. The life and non-life subsectors have relentlessly and emphatically developed and this is predicted to advance. Be that as it may, this has not implied reliable gainfulness over every one of the organizations included on all business lines. Specifically, huge numbers of the non-life organizations giving medical coverage have not been able to make profits from this line (AKI, 2015). Contrasted with multinational insurance entities from developing nations few of the firms in Kenya have a high resilience of developing business sector dangers and low presentation to the unpredictability of capital markets in the wake of the worldwide budgetary emergency (Morrish and Lee, 2011). The business confronts some noteworthy difficulties, one of which is the absence of information about protection, cultural and religious beliefs on insurance, ignorance of majority of Kenyan populations, investor's expectations among other many challenges. Organizations need to manage an absence of customer comprehension, the absence of motivators to representatives, the control of the market by dealers and vicious value rivalry. In light of the difficulties confronting insurance entities, capacity to persistently and satisfactorily alter and adjust in suitable time the key bearing in center business in connection to changing conditions is of substance. Key deftness can help insurance sector to build up the right items at the correct time at the right cost and for the right clients. These organizations ought to subsequently figure out how to make quick turns and having the capacity to change and recharge the company without losing energy.

A few studies have been done on deftness and aggressive system, for example, Morgan and Page (2008) who examined inserting key spryness as an initiative motivation for quickening plan of action re-establishment. The study presumed that this inconsistency can be made simpler by creating three center met capacities to make an association more spry: key affectability, authority solidarity and asset smoothness. Dove (2014) examined dynamic capacity impact on vital readiness: a contextual analysis in vitality protection industry and watched a positive connection between the two factors.

Locally, Ndirangu (2015) did a study on strategies employed by Insurance companies to achieve sustainable competitive advantage .The emergency of Micro-Insurance has been attractive avenue for the growth of insurance industry. Kavulunze (2015) focused on methodologies embraced by insurance firms in Kenya to achieve and maintainable upper hand, Makhulo (2014) conducted a study via web-based networking media as a technique in upgrading upper hand of firms in the protection business in Kenya while Mukuche (2015) took a gander at the relationship between business insight and competitive advantage in protection firms in Kenya. Be that as it may, none of the studies assessed has considered the Agility and competitive advantage of Insurance companies locally. This study will in this way look to fill this slit by noting the question; what are the impacts of spryness techniques on upper hand of insurance firms in Kenya?

1.3 Research Objective

The objective of this study was to determine the effects of agility strategies on competitive advantage of insurance companies in Kenya.

1.4 Value of the Study

The study will provide useful information to the Kenyan government, state agencies and regulators to devise well thought policies and programs that will aggressively encourage the innovation and sustainability of the insurance companies in the Kenya. Regulatory bodies mainly the insurance regulatory authority and Central Bank of

Kenya can use the study findings to improve on the framework for agility strategies within the insurance sector.

From a practical perspective, the findings of this research will provide vital information to facilitate the management of insurance companies in relation to the issues of agility strategies to gain competitive advantage. Findings will be used by insurance companies in developing their strategies and improvement on services offered to their customers. It also will enable existing insurance companies to identify areas of improvement in their operations that can result in increased profitability through increased revenue or through reduction in operational costs.

This study will be of importance from a theoretical standpoint in that it will provide information in the field of agility strategies and competitive advantage. The conclusions and recommendations arrived at will be a useful theoretical underpinning on the effect of strategic agility on competitive advantage.The study is also expected to add value to researchers and scholars as it will contribute to the literature on the relationship between agility strategies and competitive advantage of insurance companies in Kenya. It is anticipated that the recommendations will be of assistance to the scholars, who may unearth valuable research gaps that will kindle awareness in further research. Recommendations will be made on other potential areas of prospect studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the theories and models on which this study is anchored. The relevant models and theories are; resource based view, game theory and cumulative model of competitive capabilities. The chapters also review the agility strategies affecting the competitive advantage including the organizational innovativeness, operational dexterity, total quality management, and resource fluidity. The chapter closes with a summary of literature and knowledge gap.

2.2 Theoretical Foundation

This section reviews the theories on which the study is anchored. Specifically, the study is anchored on resource-based view, game theory and the cumulative model of competitive capabilities.

2.2.1 Resource Based View

The asset based view hypothesis communicates the association's assets are viewed as contributions to the generation procedure and can be classified into three gatherings; human capital, physical capital, and authoritative capital. A capacity is a capacity for an arrangement of assets to accomplish an extend undertaking of an operational action. Every organization is a gathering of remarkable assets and abilities that offers the establishment for its technique and the essential wellspring of its benefits. In the 21st-century hyper-focused scene, an association is a variety of advancing abilities that is made do with dynamism in the mission of above-normal earnings. Subsequently, contrasts in organization exhibitions crosswise over time are resolved principally by their excellent assets and capacities as contradicted by an industry's basic qualities (Porter, 2008).

Besides, the asset based view hypothesis trusts the association as a bundle of assets: authoritative capacities, elusive and substantial assets. Benefits that are focused are kept up all through the period regularly come up from the development of bundles of assets and capacities. For the benefits to be maintainable, four standards must be placated: rareness, significant, trouble in impersonation, and trouble in substitution. Such an evaluation needs solid familiarity with aggressive foundation in which the association live (Hamel, 2000).

2.2.2 Game Theory

This hypothesis was brought about by Von Neumann and Morgenstern in (1976). The point was to locate a general answer for all diversions. Diversion hypothesis places that the agreeable and non-helpful advances to business amusements and social circumstances in which individuals must settle on individual advantages and aggregate advantages. Business is a high hazard amusement. Branderburger (1995) takes note of that the center of the business accomplishment lies on playing the right amusement. It has been comprehended as a proficient system in affecting clients' obtaining choice, by and by, savage value setting inferred untrustworthy business techniques, zero entirety diversion ways will lead one gathering exits from the business.

As John (1989) calls attention to the diversions includes situations where members must settle on choices that influenced the individual members as well as the various members too and in this manner, this hypothesis will portray how insurance agencies in Kenya would make plans of action which influence operations of their own as well as those of their rivals. It has been utilized as a device as a part of financial aspects to investigate aggressive circumstances where the players of the amusement (organizations) endeavor to amplify their execution in key circumstances. Their prosperity relies on upon their decisions and how their rivals respond to their decisions and settle on decisions accordingly.

2.2.3 Cumulative Model of Competitive Capabilities

As per Day and Wensley (1988), focused ability is generally reflected in predominance underway assets and execution results. This model demonstrates that focused abilities should likewise be initially distinguished and assessed to accomplish a company's key objectives. Skinner (2009) expressed that specific aggressive capacities, for example, adaptability, speed, cost, and quality can be utilized as the focused weapons. Readiness requires that organizations join every one of their skills and abilities to stay aggressive in the business environment. Skinner proposes that there are exchange offs invariables like cost, time, quality, mechanical requirements and consumer loyalty.

Skinner (2009) contends that industrial facilities endeavor to perform to numerous clashing creation errands inside one conflicting arrangement of assembling targets. Some portion of his discoveries in working with various plants in different enterprises was a manufacturing plant can't perform well on each measuring stick. There are execution exchange offs, which must be traded off to meet a few objectives at the same time. Hayes and Wheelwright (1979) recommend that organizations could pick up an upper hand from a key coordinating of item and process life cycles. They proposed an item/handle grid where for every real product offering there ought to be an appropriate match between the phase of the item life cycle and the decision of creation process. They hypothesized that an exchange off happens between the matched needs of effectiveness/steadfastness and quality/adaptability.

2.3 Agility Strategies and Competitive Advantage

To accomplish the coveted level of deftness, associations for the most part utilize readiness empowering agents which permit them to procure and hold the vital dexterous aptitudes (Laschinger et al, 2010). It is gathered that the drivers are the primary variable of nimbleness necessity; the skills are the reflectors of hierarchical capacity to manage the progressions and are considered a base for support and advancement of spryness (Ahmad & Loay, 2014).

2.3.1 Organizational Innovativeness

Development and progression accept imperative part in money related change of countries, in light of the way that inventive associations, through commercializing their imaginative work results, are making fresh and non-existent regard. Additionally, the same associations are getting an essential share of the as of late made regard (Galbreath, 2005). Thusly, they are essentially creating prosperity towards themselves, for their own countries and for the global economy. Headway joins both thing organization and the course of action improvements. Thing progressions are things that are seen to be innovative by both the inventor and the consumer; the last consolidates equally end-customers and wholesalers (Noble and Gruca, 2006).

The most imaginative firms take part in a persistent scan for better items, administrations, and methods for getting things done. They attempt to consistently update their interior abilities and different assets. Total creative limit of a country is gotten from the aggregate inventive limit of its organizations (Wairimu, 2012). The more imaginative firms a country has, the more grounded that country's upper hand. Development likewise advances efficiency, the estimation of the yield delivered by a element of work or capital. The more productive an organization is, the all the more effectively it utilizes its assets. The more gainful the organizations in a country are, the all the more productively the country utilizes its assets (Knight, 2007).

In light of new innovation driven worldwide markets, organizations have expanded their utilization of cutting edge advances and additionally their development endeavors (Regnier, 2009). The undeniably aggressive environment in the monetary administrations showcase has brought about weight to create and use elective conveyance channels. Most organizations are presently confronting extraordinary difficulties in the current focused environment in light of the fact that the progressions and new administrations turned into the base of showcasing and keeping in mind the end goal to confront those difficulties, organizations began to go towards advertising advancement and inventiveness which incorporates making new administrations, conveying protection administrations to client and advancing those administrations and conveying them to clients in the perfect time and place since time and speed got to be fundamental in the realm of money related administrations and relies on upon development in this universe of rivalry so as to convey the best items and administrations to accomplish upper hand and pick up consumer loyalty and steadfastness (Skinner, 2009).

2.3.2 Operational Dexterity

Light-footed organizations have found the specialty of acing many-sided value in untold habits. They are advancing functional systems for tremendous speed and flexibility. They are installing well regarged unpredictability to make new items, administrations, and client associations that convey more prominent esteem. Furthermore, they are conscientiously in view of how best to exploit global efficiencies while nurturing to nearby wants (Barney, 2001). Coordinated organizations are exceedingly capable on the grounds that they must be. To rearrange processes and items and finish with speed, organizations ought to be coordinated. Noteworthy add-ons can be accomplished through business arrangements that enhance forms that traverse venture limits.

Well equipped ability is important for taking care of progress, and nimble organizations have demonstrated significant yields from business arrangements that coordinate the business system of clients, providers and accomplices (Long, 2012). Dexterous organizations accentuate exhaustive change not additional framework or process enhancements that change business to appreciate expanded increases through developing innovation abuse. Additionally, these auxiliary changes in the association encourage innovation (Vokurka, Zank & Lund, 2012).

To accomplish this new style of readiness, business and information Technology must team up to formulate upgrades and hit upon better approaches for working together. Nimbleness increments when organizations utilize the mastery of the majority of the significant partners to distinguish comprehend and react to quickening change and disturbance as it happens. Dexterous associations have procedures and structures that distinguish interior and outer exercises and additionally settled components to act rapidly on that learning (Bharadwaj and Sambamurthy, 2010). This requires an outlook change from programming building to trade designing. By a way of this move comes the rise of another part: the business engineer.

2.3.3 Total Quality Management

Researchers, for example, Edward (1950) have advanced a few ways to deal with enhance organization execution. They in this manner thought of Total Quality Management (TQM) which is their methodologies all exemplified in an arrangement of value administration hones. On this record, Wiklund, Klefsjö, Wiklund and Edvardsson (2003) showed that various methodologies have been received for the management of value supervision in associations, for example, self-appraisal and outside evaluation of the foundations, accreditation and affirmation frameworks, and distinctive models of TQM. This is gone for accomplishing improved hierarchical execution and in this manner accomplishes competiveness in an evolving situation. Firms in a changing domain can utilize TQM to separate themselves from opponents.

TQM as supervision approach of an organizations is fixated on excellence, in view of the interest of every one of its individuals and going for long haul achievement (Galbreath, 2005). As per Goldberg and Cole (2002), TQM offers associations a key choice and an incorporated administration theory, to empower them achieve their goals viably and effectively, and to accomplish maintainable upper hand. Then again, Cua, McKone and Schroeder (2004) call attention to that TQM is a group, interlinked arrangement of value administration hones that are connected with authoritative execution.

Kaynak (2003) the highlighted significance of causal relations between quality administration hones. In any case, Kirk (2003) shows that execution of TQM practices is a tough undertaking and in this way it is hard to accomplish expected advantages. Regardless he noticed that notwithstanding this, organizations working in today's dynamic business environment should be exceptionally versatile to guarantee quality to all partner. Along these lines, firms need to utilize all assets to execute TQM to accomplish this objective. Yang and Su (2009) insinuates that aggregate quality administration has positive effect on encouraging taking care of issue and basic leadership prepare. TQM additionally has an imperative part in persistent change of association to beat rivalry. Add up to quality administration is an administration integrative framework for building up the nature of administrations and merchandise by method for the remove a portion of all reasons and levels. Each individual has a deciding part in the creation of value administrations and products.

2.2.4 Resource Fluidity

Having the ability to move assets starting with one place then onto the next as required is what is named as asset ease. Skinner (2009) expressed that an expanded portfolio is required by accomplishing this is an enhanced arrangement of autonomous division, a framework of broad chiefs who can be exchanged crosswise over units, focal corporate control over key assets, and organized procedures for diminishing speculations or offering of units. The greatest test in doing this is the greater part of the assets are attached to some capacity, and it might be hard to reallocate those assets, particularly when it would be for something else than the conventional center business this identifies with over-subsidizing of legacy organizations. To beat this test, the administration needs to construct their choices with respect to levelheaded as opposed to enthusiastic or political criteria, put intensely in promising open doors, and limit over interest in the center business. It is additionally imperative not to assign assets into subunits in a way that can't be changed without a noteworthy rearrangement, yet rather give various channels to getting to assets i.e. a few spots where administrators can access assets when they require them as opposed to having only one individual that goes about as an entryway (Weill and Vitale, 2012).

Asset smoothness requires restrained procedures for assessing singular units and reallocating key assets (Skinner, 2009), i.e. having one and only arrangement of execution information. This implies similar assessment framework is utilized over the association, and diverse units and capacities can without much of a stretch be contrasted with different units and capacities in similar association (Doz and Vokurka, 2008). It is additionally vital to build up element administration components keeping in mind the end goal to know where to apportion assets and reassign duties in a quick and adaptable way, and in addition set normal principles for asset allotment. Likewise a movable arranging procedure is required that inquiries the power of the center business and is preferably in view of genuine market occasions than the timetable.

Another test is protectionism for one's own particular assets – directors would prefer fundamentally not to impart them to each other (Hamel, 2007). Notwithstanding, best administration needs the mettle to settle on even troublesome and disagreeable choices when it is required (Skinner, 2009). One method for moderating this hazard is to separate business comes about because of asset proprietorship, implying that no single measurement or unit in the association possesses the assets expected to direct its business, however they are usually shared. One method for doing this is by arranging, making and conveying work under reason particular cross-organization projects and extends, and in that ways discharging the assets to companywide utilize (Regnier, 2009).

Portability of individuals enhances asset smoothness, and as indicated by Doz and Vokurka (2008), it can be encouraged by method for occupation revolution; giving an open employment market to distinguish abilities; giving perceivability to individual vocation advancement potential and openings; considering moving groups rather than simply moving people since individuals tend to grapple their self-regard to an expert group or a group; paying consideration on reasonableness and reputation in staff assessment since individuals would prefer not to go out on a limb (by e.g. applying for another occupation inside similar association) in the event that they can't make sure that they will be reasonably and straightforwardly assessed; and having a pool of senior chiefs as corporate assets.

Additionally the business hazard can be relieved by deliberately distributing assets and encouraging the versatility of individuals – the hazard connected with business section or exit is lessened by redeploying assets with little clash or injury. Seclusion of assets is essential since one-measure does not fit all, and particularity of assets can expand speed and proficiency in usage. It is likewise conceivable to separate individuals from parts and assignments, which will empower the general population to contribute adequately in different parts and undertakings that are free of time and place (Galbreath, 2005).

2.4 Summary of Literature and Knowledge Gap

A fabulous appraisal of big business deftness requires pondering the essential individuals in within ground of the undertaking: the shoppers, the contenders, and the providers. As it can be comprehended from this segments, considered association continually requests attempting to settle things to achieve the require execution comes about. On the off chance that adequacy is essential, then deft administration is less considered. However, in huge organizations need to have places where they react quick and reconfigure and utilize open assets from multiple points of view. This is obligatory to be a quick and proceeding with process moreover.

Already, there are studies on dexterity empowering agents. For example, Abareshi and Pittayachawan (2015) did a study on readiness empowering agents, abilities and execution, Tikkanen (2014) led a study on element capacity impact on vital dexterity: a contextual analysis in Energy Conservation Industry while our and Mahboobeh (2010) surveyed the logical way to deal with compelling variables on authoritative agility. Locally, Chirchir (2015) concentrated on the relationship between hierarchical spryness and operational profitability at Kenya Ports Authority; Muthoni (2015) took a gander at the impact of vital nimbleness on aggressive capacity of private Universities in Kenya while Okotoh (2015) led a study on the impact of hierarchical deftness on operational execution of trademark East Africa. None of these studies concentrated on impact of vital nimbleness empowering agents on execution of protection business firms in Kenya. This is in spite of the way that their execution has been decreasing because of rivalry from different players in the market. This consequently leaves a study hole which the study looked to fill by concentrating on the impact of vital readiness empowering influences on execution of protection business firms in Kenya.

A few studies have been led in connection to upper hand, for example, Doz, and Vokurka (2008) who contemplated inserting vital nimbleness as an authority motivation for quickening plan of action reestablishment, Dove (2014) who examined dynamic ability impact on key readiness. Wairimu (2012) did an examination of variables impacting upper hand in associations in the budgetary division in Kenya concentrating on standard contracted Bank Kenya Limited. Wanja (2013) dissected the impacts of business process re-designing on upper hand of St. John rescue vehicle in Nairobi, Kenya while Mwaniki (2014) examined the determinants of upper hand of firms inside the media transmission industry in Kenya in view of Safaricom constrained. From audited writing, none of the studies led beforehand has considered the impacts of readiness methodologies on upper hand. The concentrates likewise centred around different segments other than the protection business in Kenya and since different foundations have distinctive key centre, the discoveries could be diverse on account of the protection business. This study will in this way look to fill these crevices by inspecting the impacts of spryness methodologies on upper hand of insurance agencies in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was adopted in the operationalization of the research and achievement of the study objectives. This section contains the research design, target population, data collection procedures and in the end data analysis.

3.2 Research Design

The research study used a descriptive research design. The design is appropriate because it involves description of events in a carefully planned way (Bryman & Bell, 2011). This approach was suitable for this study, since the study intended to collect comprehensive information through descriptions which was helpful for identifying variables. This research design also portrays the characteristics of a population fully (Tashakkori & Teddlie, 2012).

3.3 Study Population

According to Pole and Lampard (2010), a target population is defined aggregate total of all the members of a set group to which the research is related, whereas the reachable population is considered in connection of those elements in the intended population within the reach of the study. The population for this exercise comprised all the 52 registered insurance companies in Kenya. The study took a census approach since the population was not large.

3.4 Data Collection

The researcher used a questionnaire as the primary data collection instrument. According to Pole and Lampard (2010), a self-administered questionnaire is an appropriate tool to elicit self-report on people's opinion, attitudes, beliefs and values. The questionnaire was divided into two sections; part A representing the demographic section and part B representing the various variables adopted for study namely; organizational innovativeness, operational dexterity, total quality management (TQM), resource fluidity and and competitive advantage. Each section of the chosen study includes closed structured and open ended questions. The questionnaire was administered through drop and picks method to mainly the operations managers - underwriting in each insurance company since they are the ones conversant with the strategies the companies are adopting and how they affect the company performance. Secondary data was collected from institutional websites; brochures, publication, newspapers, libraries, and various research related organizations.

3.5 Data Analysis and Presentation

The data collected was assessed and comparison made so as to select the most accurate and quality information from the feedback given by various respondents. The quantitative data was coded to make it possible of the responses to be classified into diverse classes. Descriptive statistics scrutiny was used to evaluate the quantitative data. The analysed data was interpreted in terms of averages and standard deviation using assistance of computer packages especially SPSS (version 22). Tables and other graphical presentations such as bar charts, histogram, grouped frequency distributions and pie charts as appropriate were used to present the study findings for ease of understanding. The qualitative data were analysed using content analysis and presented in prose.

This study conducted a regression analysis to establish the relationship between the variables in the study. Regression coefficient was used to determine the strength and the direction of the relationship between the dependent variable and the independent variable. The regression model was as follows:

$$\boldsymbol{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon}$$

Where:

Y = Competitive Advantage (dependent variable)

β_0 = Constant (coefficient of intercept)

$B_1 \ldots B_4$ = regression coefficient of four variables.

X_1= Organizational Innovativeness

X_2= Operational Dexterity

$X_{3=}$ Total Quality Management

$X_{4=}$ Resource Fluidity

ε = Error term

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents analysis of the data on effects of agility strategies on competitive advantage of insurance companies in Kenya. The chapter will provide the key findings and results of the research. Finally, the chapter presents a discussion on the findings.

4.2 Response Rate

The study targeted 52 respondents from which 37 filled in and returned the questionnaires making a response rate of 71%. This response rate was excellent and representative and conventional to Mugenda and Mugenda (1999) provisions that a response rate of 50% is sufficient for study and reporting; a rate of 60% is superior.

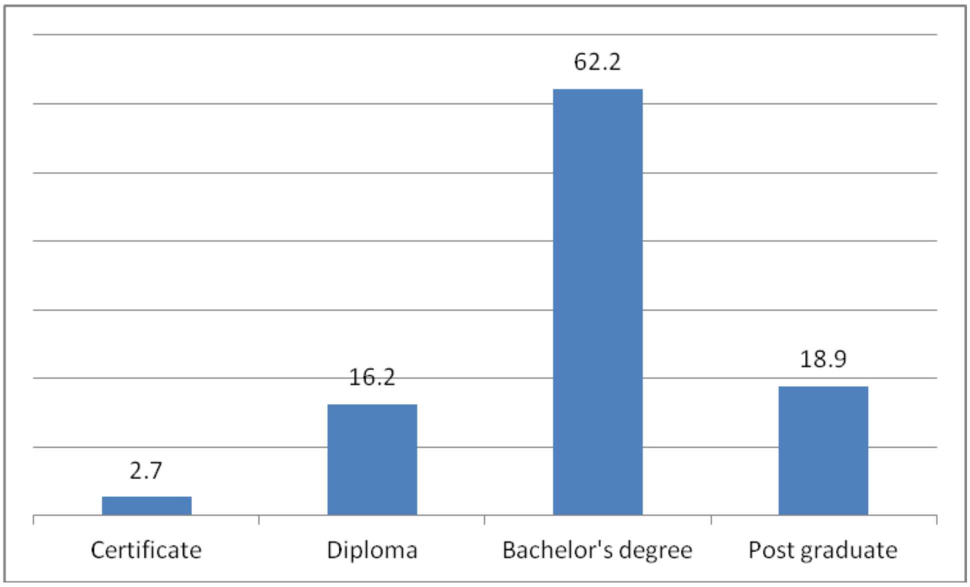
4.3 Demographic Information of the Respondents

The study sought to establish the education level and experience of the respondents.

4.3.1 Level of Education of the Respondents

The study also sought to establish the level of education of the respondents. The levels of education of the respondents are as presented in figure 4.1.

Figure 4.1:Level of Education of the Respondents



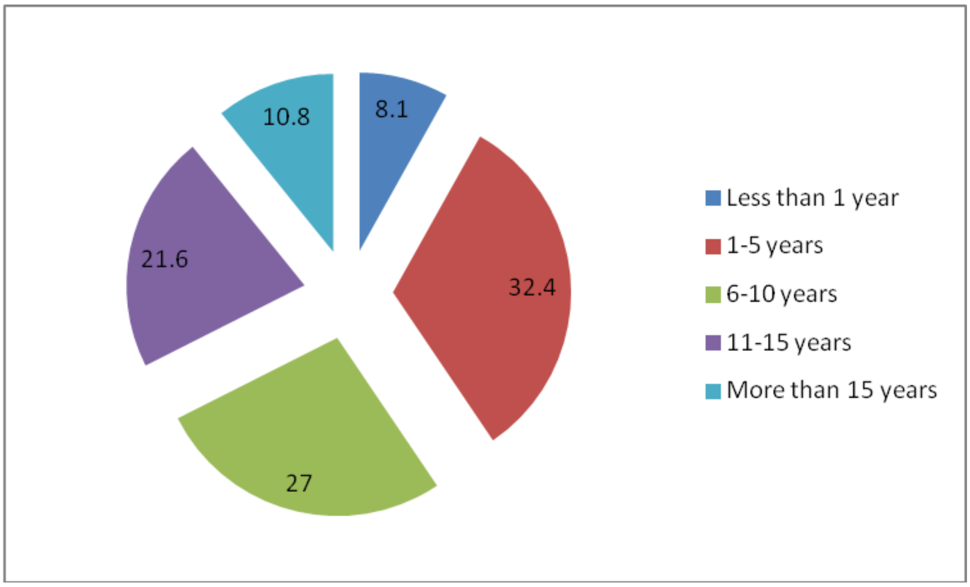
Source: Field data (2016)

From the findings, the majority of the respondents had bachelor's degree as their highest level of education as depicted by 62.2%, 18.9% post graduate, 16.2% had diploma and 2.7% had a certificate. The finding implies that respondents had adequate literacy to understand the concept of effects of agility strategies on competitive advantage of insurance companies in Kenya.

4.3.2 Experience of the Respondents

The study also sought to establish the number of years the respondents had worked in the insurance firms. The data collected is as in figure 4.2.

Figure 4.2: Experience of the Respondents



Source: Field data (2016)

From the findings, the majority of the respondents had between 1 and 5 years of experience as depicted by 32.4%, 27.0% between 6 and 10 years, 21.6% between11 and 15, 10.8% depicted more than 15 years and 8.1% had less than 1 year of experience. From the findings majority of the respondents had worked with the insurance institutions for more than one year which is an indication that they have been there long enough to respond to issues of effects of agility strategies on competitive advantage in the insurance firms in Kenya.

4.4 Agility Strategies and Competitive Advantage

In order to establish the relationship between agility strategies and competitive advantage in Kenya, the researcher sought to establish the extent to which agility strategies affects competitive advantage of insurance companies in Kenya. Agility strategies studied were; innovativeness, operational dexterity, total quality management, resource fluidity**.** The respondents were asked to indicate their level of agreement with various statements and also the extent of effect to the various aspects of study variables which were in a likert scale of between 1 and 5. Where 1 = Strongly Disagree; 2 =Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly Agree. The scores were calculated to mean scores which were interpreted as 4.5 - 5.0 strongly agree; 3.4 - 4.4 agree; 2.5 - 3.4 neutral; 1.5 - 2.4 disagree; and 0.0 - 1.4 strongly disagree. Also where 1 = No extent; 2 =Low extent; 3 = Moderate extent; 4 = Great extent; and 5 = Very great extent. The scores were also calculated to mean scores which were interpreted as 4.5 - 5.0 Very great extent; 3.4 - 4.4 Great extent; 2.5 - 3.4 Moderate extent; 1.5 - 2.4 Low extent; and 0.0 - 1.4 No extent. On the other hand, the standard deviation shows the distribution of the responses. The smaller the value, the less the dispersion of the responses from the mean score showing there is general consensus around that finding and the vice versa is true.

4.4.1 Innovativeness

From the findings, the respondents indicated some of the innovations in their companies for the last five years as IT systems, new products (e.g. churches products, Funeral expense covers, Retirement Income product), mass marketing of medical product (Linda Jamii), online services(online job application, online annual reports) and electronic premium payment.

The researcher sought to establish the extent the following aspects of innovativeness affects competitive advantage of insurance companies. The findings are shown in the table 4.1.

Table 4.1: Effect of innovativeness on competitive advantage

	Mean	Std. Deviation
Product development	3.89	0.906
New business models	3.59	0.985
Efficiency improvements	4.57	0.647
Digitized processes	3.27	1.194
Enterprise resource planning	4.51	0.901

Source: Field data (2016)

Information from the table 4.1 reveals that efficiency improvement and enterprise resource planning affects competitive advantage of the insurance companies to a very great extent with mean of 4.568 and 4.514 respectively. Product development and business model were indicated to have effect to competitive advantage to a great extent with mean of 3.892 and 3.595 respectively. Finally the findings showed that digitized processes moderately affects competitive advantages of insurance companies with a mean of 3.270. The findings shows that efficiency improvement and adopting of enterprise resource planning systems affect the competitive advantage among the insurance companies in Kenya most. From the standard deviation, it was clear that the responses were much skewed on the effect of digitized processes while there was a general consensus around the effect of efficiency improvements.

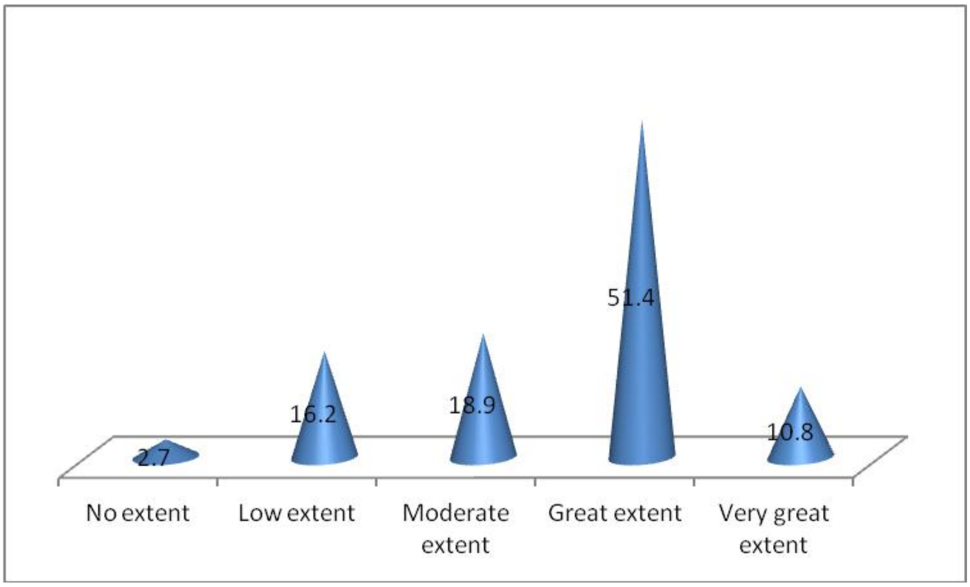
On the ways that innovativeness has improved the performance of the companies, the respondents intimated that they have registered increased revenues (profitability), brand equity, market penetration, overcome price wars and improved cost management.

From the findings, the respondents noted that other innovative strategies insurance companies should adopt to improve on their competitive advantage includes communication strategies that can create awareness of value of insurance to the general public, develop client based product, come up with product awareness strategy (advertisement, product promotion) and encourage information sharing in the company. This implies that information sharing through efficient communication strategies coupled with development of client based product is very crucial for the competitiveness of the insurance companies.

4.4.2 Operational Dexterity

The respondents were requested to indicate the extent to which operational dexterity affects competitive advantage of insurance companies.

Figure 4.3: Extent operational dexterity affects competitive advantage



Source: Field data (2016)

From the findings 51.4% of the respondents noted that operation dexterity affects competitive advantage of the insurance companies to a great extent.18.9% noted moderate extent,16.2% indicated low extent effect of operation dexterity on competitive advantage of insurance companies.10.8% noted very great extent while only 2.7% noted no extent effect on competitive advantage of operation dexterity. The finding implies that operation dexterity affects the competitive advantage of the insurance companies to a great extent.

Table 4.2: Statements on Operational Dexterity

	Mean	Std. Deviation
The company has redesigned operating strategies for ultimate speed and flexibility	3.65	1.136
Our company is embedding valued complexity to create new products, services and customer interactions that deliver greater value	4.14	1.134
Our company carefully consider how best to take advantage of global efficiencies while addressing local needs	3.05	1.104
Our company offer business solutions that integrate the business network of customers, suppliers and partners	3.97	0.552
Our company emphasize comprehensive change not incremental system or process improvements that transforms business to enjoy increased gains through emerging technology exploitation	4.51	0.932

Source: Field data (2016)

As per the findings in table 4.2, the companies emphasize comprehensive change not incremental system or process improvements that transform business to enjoy increased gains through emerging technology exploitation to a very great extent as shown by a mean score of 4.514. The respondents also agree that their companies are embedding valued complexity to create new products, services and customer interactions that deliver greater value to a great extent with a mean of 4.135. The results also indicated that the companies offer business solutions that integrate the business network of customers, suppliers and partners to a great extent as shown by a mean of 3.973. The results also indicated that the companies have moderately redesigned operating strategies for ultimate speed and flexibility with a mean of 3.649. Finally the findings show that companies moderately consider carefully how best to take advantage of global efficiencies while addressing local needs to a moderate extent with a mean of 3.054. The findings show that most companies have emphasized comprehensive change in all their operations to enjoy increased gains through emerging technology exploitation which have gone a long way in enhancing their competitiveness.

On the way operational dexterity has improved the performance of companies the respondents noted that rating in their companies has improved, there is also fairness in treatment of customers. Apart from that clear reporting structures that work in conjunction with an open door policy have also improved. Lastly, operation dexterity has led to introduction of timely quotes to the clients. This implies that adoption of various aspects of operational dexterity has contributed significantly to the competitiveness of the insurance companies in Kenya.

4.4.3 Total Quality Management

The respondents showed that their institutions use the following ways when conducting quality management: management performance, rewards and recognition, system checks, authorization limits, customer satisfaction surveys and trainings. They also indicated that routine audit checks are carried out to ensure compliance with set standards development and also that their insurance companies conduct performance appraisals based on targets given, reviews (quarterly, half yearly).

The researcher sought to establish the extent to which various aspects of total quality management affect competitive advantage of insurance companies. The results of the findings are tabulated in table 4.3

Table 4.3: Extent aspects of TQM affect competitive advantage

	Mean	Std. Deviation
Eliminating product defects	3.30	0.909
Service delivery	3.38	0.924
Product quality	3.35	1.230
Human resource management	4.27	1.071
Product design	4.16	0.958

Source: Field data (2016)

Information from the table 4.3 shows that human resource management and product design affects competitive advantage of the insurance companies to a great extent as shown by a mean of 4.270 and 4.162 respectively. The respondent s also indicated that service delivery, product quality and eliminating products defects moderately affects competitive advantage as shown by a mean score of 3.378, 3.351 and 3.297 respectively. This implies that human resource management and product design are very key to the competitiveness in the insurance companies.

As per the findings quality management practices have improved the competitive advantage of companies in the following ways: attraction and retention of quality talent, development of innovative products, increased customer base, market leadership, motivation of human resource, better service delivery, employees are now more accountable to their roles, customer service is now more efficient and improved customer/employees relationship.

4.4.4 Resource Fluidity

The respondents were further requested to indicate the extent that the various aspects of resource fluidity affect the competitive advantage in the insurance companies.

Table 4.4: Statements on Resource Fluidity

	Mean	Std. Deviation
Fluid re-allocation and utilization of capital resources	3.30	0.909
Mobility of people and knowledge	3.38	0.924
Modular structures	3.35	1.230
Business system flexibility	4.57	0.867
Management competence	3.57	0.765
Diversified portfolio of independent units	2.65	1.399
Central corporate control over key resources	4.59	0.644
Structured processes for decreasing investments or selling of units	3.27	1.194

Source: Field data (2016)

Information from the table 4.5shows that central corporate control over key resources and business system flexibility affects competitive advantage of the insurance companies to a very great extent with mean of 4.595 and 4.568 respectively.

Management competence greatly affects competitive advantage to a great extent with a mean of 3.568. Mobility of people and knowledge, modular structures, fluid re-allocation and utilization of capital resources, diversified portfolio of independent units moderately influences competitive advantage of insurance companies in Kenya with means of 3.3784, 3.3514, 3.2973, 3.2703 and 2.6486 respectively. Service delivery, product quality and eliminating products defects moderately affects competitive advantage with the means of 3.378, 3.351 and 3.297 respectively. These findings reveal that central corporate control over key resources and business system flexibility greatly influences competitive advantage of insurance companies. This implies that there should be central corporate control over key resources in the insurance companies to enhance the efficiency of deployment in areas key to enhancing the companies' competitiveness.

4.4.5 Competitive Advantage

The respondents were also requested to indicate the extent to which they agreed with each of the following statement.

Table 4.5: Statements on Competitive advantage

	Mean	Std. Deviation
My organization's market position can provide strong barriers to entry for other firms	3.65	1.136
My organization has a wide the array of products	3.81	1.050
Our company enjoys relatively low cost of its products/services	3.05	1.104
The organization strategy would be difficult and expensive for rivals to duplicate	3.97	0.552

Our company has high capacity to penetrate new markets	3.89	1.220
Our company enjoys a strategic market position	3.65	1.136
There is mass customization in my company	3.24	1.256
There is a high level of research and development (best practices) in my company	2.76	1.278
Our company is flexible and easily adopts to changes in the environment	4.56	0.688
Our company is always pro-active and take the 1st step	4.51	1.149
Our company is constantly come up with new methods of operations that are cost effective	3.57	1.144
Our company is perceived as unique by our customers	3.51	1.216

Source: Field data (2016)

The results of the findings reveal that companies are flexible and easily adapt to changes in the environment and also companies always pro-active and take the 1st step to a very great extent as indicated by a mean of 4.562 and 4.508 respectively. The respondents also agreed that their organization strategy would be difficult and expensive for rivals to duplicates depicted by a mean of 3.892. They also wagered that the companies have high capacity to penetrate new markets as depicted by a mean score of 3.892, organization’s market position can provide strong barriers to entry for other firms as depicted by a mean score of 3.811, , companies enjoy a strategic market position, companies are perceived as unique by our customers as depicted by a mean score of 3.568 and companies are constantly coming up with new methods of operations that are cost effective as depicted by a mean score of 3.514.

The respondents were however neutral on the fact that the organizations have a wide the array of products as shown by a mean score of 3.054 and that the organisations have high level of research and development (best practices) t as shown by a mean score of 2.754. According to the findings companies are flexible and easily adopt to changes in the environment which play a major role in their performance and survival.

4.5 Regression Analysis

Regression analysis shows how dependent variable is influenced by independent variable. Regression coefficient was used to determine the strength and the direction of the relationship between the dependent variable and the independent variable. The regression model was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y = Competitive Advantage (dependent variable)

β_0 = Constant (coefficient of intercept)

$B_1 \ldots B_4$ = regression coefficient of four variables.

X_1= Organizational Innovativeness

X_2= Operational Dexterity

$X_{3=}$ Total Quality Management

$X_{4=}$ Resource Fluidity

ε = Error term

Table 4.6 is a model fit which establish how fit the model equation fits the data. The adjusted R^2 was used to establish the predictive power of the study model.

Table 4.6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.859	0.738	0.706	3.664

Source: Field data (2016)

The study found the adjustedR^2 to be 0.706 implying that 70.6% of the variations in competitive advantage in insurance companies are explained by innovativeness, operation dexterity, total quality management, and resource fluidity leaving 29.4% percept unexplained.

Table 4.7: ANOVA results

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	1325.82	4	331.455	22.571	.000
	Residual	469.92	32	14.685		
	Total	1795.74	36			

Source: Field data (2016)

The significance value of 0.000 indicates that the regression relationship was significant in predicting how innovativeness, operation dexterity, total quality management, and resource fluidity affects competitive advantage in insurance company in Kenya. The F calculated at 5 percent level of significance was 22.567since F calculated is greater than the F critical (value = 2.67), this shows that the overall model was significant.

Table 4.8: Coefficients of Determination

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.124	1.454		2.836	0.008
Innovativeness	0.754	0.213	0.684	3.540	0.001
Operation dexterity	0.654	0.123	0.609	5.317	0.000
Total quality management	0.734	0.171	0.672	4.292	0.000
Resource fluidity	0.567	0.198	0.582	2.864	0.007

Source: Field data (2016)

The established model for the study was:

$Y = 4.124 + 0.754X_1 + 0.654X_2 + 0.734X_3 + 0.567X_4$

Where Y is competitive advantage (dependent variable), X_1 is organizational innovativeness, X_2 is operational dexterity, X_3 is total quality management and X_4 is resource fluidity.

The regression equation above has established that taking all factors into account (innovativeness, operation dexterity, total quality management, and resource fluidity) constant at zero competitive advantage is at 4.124. The findings presented also show that taking all other independent variables at zero, a unit increase in the innovativeness would lead to a 0.754 increase in the scores of competitive advantage and a unit increase in the scores of operational dexterity would lead to a 0.654 increase in the scores of competitive advantage of insurance companies in Kenya. Further, the findings shows that a unit increases in the scores of total quality management would lead to a 0.734 increase in the scores of competitive advantage. The study also found that a unit increase in the scores of resource fluidity would lead to a 0.567 increase in the scores of competitive advantage of insurance companies in Kenya. Overall, innovativeness had the greatest effect on the competitive advantage of insurance companies in Kenya, followed by total quality management, then operation dexterity while resource fluidity had the least effect on competitive advantage of insurance companies in Kenya. All the variables were significant ($p<0.05$).

4.6 Discussion

The objective of this study was to determine the effects of agility strategies on competitive advantage of insurance companies in Kenya. From the findings, the majority of the respondents had bachelor’s degree as their highest level o education as depicted by 62.2%, also majority of the respondents had between 1 and 5 years of experience as depicted by 32.4%.

The researcher found out that the insurance companies have put in place four major agility strategies namely; innovativeness, operation dexterity, total quality management and resource fluidity in order to improve its competitive advantage. It was also established that the greatest innovativeness strategies used by the insurance companies are efficiency improvement and enterprise resourcing. It was also found that operation dexterity strategy has been applied to a great extent in the insurance companies. The researcher further found that the companies emphasize on all-inclusive transformation and not add-on system or progression improvements that transform industries to enjoy improved expansion through promising technology exploitation. This correlates with Galbreath (2005) who posited that companies are getting an important share of the newly created value. In this way, they are majorly generating wealth towards themselves, for their country and for the world. Innovation includes both product / service and process innovations.

In addition Gill and Long (2012) expressed that operational dexterity is indispensable for managing change, and agile companies have revealed very soaring returns from business resolutions that assimilate the business network of consumers, suppliers and associates. Agile companies focus on far-reaching modification and not piecemeal system or development improvements that transform business to benefit from increased profits through up-coming technology management.

The researcher found out that human resource management and product design are total quality management strategies adopted by most of the insurance companies in Kenya affects to a great extent competitive advantage. The majority of the respondents also indicated that resource fluidity has a great effect on competitive advantage of the insurance companies .They further noted that business system flexibility and central corporate control over key resources which are aspects of the resource fluidity influences the competitive advantage to a great. This is in line with Yang and Su (2009) who reported that total quality management has positive impact on facilitating solving problem and decision-making process. TQM also has an important role in continuous improvement of organization to beat competition. Total quality management is a management integrative system for developing the quality of services and goods by means of the take part of all purposes and levels. Every person has a determining role in the production of quality services and goods. According to Skinner (2009) resource fluidity requires disciplined processes for evaluating individual units and reallocating key resources

The study findings also established that most companies are always pro-active and take the 1st step and also have flexible and easily adapts to changes in the environment in order to adjust its competitive advantage. These findings correlate with Barney (2001) who defined a competitive advantage as a value-creating strategy that is based on resources that are, among other characteristics, valuable. This reasoning is circular and therefore operationally invalid.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary, conclusion and recommendations based on the findings and interpretations of the research. The chapter also covers the limitations that were identified when carrying out this research. Further, the researcher provides suggestions for further study on the area and closes the chapter with providing implications for policy and practice that can emanate from the findings of the research.

5.2 Summary of the Research Findings

The objective of this study was to determine the effects of agility strategies on competitive advantage of insurance companies in Kenya. The study concludes that innovativeness strategies such as efficiency improvement and enterprise resource planning system adoption are very essential in enhancing the competitiveness in the insurance industry. It was clear that operation dexterity strategy plays a major role in the insurance companies' competitive advantage as the companies emphasize on comprehensive change to enjoy increased gains through emerging technology exploitation.

The study also deduced that total quality management strategies such as human resource management and product design are adopted by most of the insurance companies in Kenya in order to improve their competitiveness. The study further concluded that the adoption of resource fluidity facets such as business system flexibility and central corporate control over key resources is very essential in the insurance companies in Kenya.

The study also concluded that TQM also has an important role in continuous improvement of insurance companies in order to beat competition. The study revealed that insurance companies in Kenya are always pro-active and easily adapts to changes in the environment.

5.3 Conclusions

The study concludes that agility strategies affect competitive advantage of insurance companies in Kenya. The researcher further establish that the insurance companies have put in place four major agility strategies namely; innovativeness, operation dexterity, total quality management and resource fluidity in order to improve its competitive advantage.

The study reveals that efficiency improvement and enterprise resourcing affects the competitive advantage of insurance companies. Furthermore, the study noted that operation dexterity strategy has been applied in the most of insurance companies in Kenya as a measure to improve the company competitive advantage. Companies focus on far-reaching modification and not piecemeal system or development improvements that transform business to benefit from increased profits through up-coming technology management.

The study confirmed that human resource management and product design are total quality management strategies that affect competitive advantage of insurance companies in Kenya. Resource fluidity also affects competitive advantage of the insurance companies in Kenya. Aspects of the resource fluidity such as business

system flexibility and central corporate control over key resources they influence competitive advantage of insurance firms. The study also concludes that insurance companies are always pro-active and easily adapts to changes in the environment.
The study finally concludes that innovativeness had the greatest effect on the competitive advantage of insurance companies in Kenya, followed by total quality management, then operation dexterity while resource fluidity had the least effect on competitive advantage of insurance companies in Kenya.

5.4 Recommendations

This study recommended formulation of appropriate agility policies by the managers of insurance companies in Kenya to adequately address the strategic needs in the highly competitive industry.

The study also recommends that managers of the insurance companies should embrace innovativeness strategies on a wider range among other strategies since it has a great effect on insurance companies' competitive advantages than other strategies. Efficiency improvement and enterprise resourcing should be given the first priority when establishing innovativeness strategies in the insurance companies.

The study further recommends that on operation dexterity strategy managers of insurance companies should focus on far-reaching modification and not piecemeal system or development improvements that transform business to benefit from increased profits through up-coming technology management.

Human resource management and product design which are aspects of total quality management strategies they should be first considered when using total quality management strategy to build its competitive edge, these will results to improvement of competitive advantage of insurance companies.

Finally the study recommends that managers of insurance companies should develop business system flexibility and central corporate control over key resources in their company. Fluid re-allocation and deployment of principal resources should also be considered in the insurance companies in order to boost competitive edge of the company.

5.5 Limitation of the Study

The researcher encountered many limitations while conducting the research. One of them came when collecting the data. The respondents were supposed to be the management staff and employees of insurance companies. The senior employees generally have very busy schedules. This made it difficult for the researcher to get the questionnaires to be filled in time and which finally resulted in some questionnaires not being returned regardless of the fact that the number of respondents was small. The researcher however made several visits and communicated through e-mail to contact persons to get the questionnaires filled.

Another limitation is that the respondents were reluctant in giving some information about their companies which they viewed being confidential. The researcher however reassured the respondents that information obtained from them would be used for the purposes of the study only. The researcher also obtained a letter from the university as evidence which helped to great extend.

5.6 Suggestion for further studies

This study suggests that further studies to be carried out in other areas. Such areas may include identifying other factors which have effects on the competitive advantage of insurance companies. Such studies may be carried out using various others measure such as employee efficiency on competitive advantage. Further studies on this topic could be carried out over a longer period of time. Such a longer period could be helpful given that significant effects of factors influences household income in unbound project could take a longer period than one year to be realized as considered in this study.

Since there is a 29.4% error term, other studies should work at other factors not tackled by the study. The study can be done by focusing on different variables not tackled in this study. In future research to evaluate the competitive advantage in addition to questionnaires, other tools such as (interviews and observations) can be used to evaluate factors that influence household income in unbound project.

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APPENDICES

Appendix I: List of Insurance Companies in Kenya

1.	AAR Insurance company Limited
2.	AIG Kenya Insurance Company Ltd
3.	Africa Merchant Assurance Company Ltd
4.	Allianz Insurance Company of Kenya Ltd
5.	APA Insurance Company Ltd
6.	Barclays Life Assurance K Ltd
7.	APA Life Insurance Company Ltd
8.	Britam General Insurance Company Ltd
9.	Britam Life Assurance Insurance Company
10.	Cannon Assurance company Ltd
11.	Capex Life Assurance Company Ltd
12.	CIC General Insurance Company Ltd
13.	CIC Life Assurance Company Ltd
14.	Corporate Insurance company Limited
15.	Direct line Assurance Company Limited
16.	Fidelity Shield Insurance company Limited
17.	First Assurance Company Limited
18.	GA Insurance Company Limited
19.	GA Life Assurance Company Limited
20.	Geminia Insurance Company Limited
21.	Heritage Insurance Company Limited
22.	ICEA LION General Insurance Company Ltd
23.	ICEA LION Life Assurance Company Limited
24.	Intra Africa Assurance Company Ltd
25.	Invesco Assurance Company Ltd

26.	Jubilee Insurance Company Ltd
27.	Kenindia Assurance Company Limited
28.	Kenya Orient Insurance Company Ltd
29.	Kenya Orient Life Assurance Ltd
30.	Kenyan Alliance Insurance Company Ltd
31.	Liberty Life Assurance Company Limited
32.	Madison Insurance Company Limited
33.	Mayfair Insurance Company Limited
34.	Metropolitan Cannon Life Assurance Company Ltd
35.	Occidental Insurance Company Limited
36.	Old Mutual Life Insurance company Limited
37.	Pacis Insurance Company Limited
38.	Phoenix Assurance Group
39.	Pioneer Life Assurance Company Ltd
40.	Pioneer General Insurance Company Ltd
41.	Prudential Assurance Company Limited
42.	Resolution Insurance Company Limited
43.	Sanlam General Insurance ltd
44.	Sanlam Life Assurance Ltd
45.	SahamAssurance Company Limited
46.	Takaful Insurance of Africa Ltd
47.	TausiAssurance Company Ltd
48.	The Monarch Insurance Company Limited
49.	Trident Insurance Company Ltd
50.	UAP General Insurance Company Limited
51.	UAP Life Assurance Company Limited
52.	Xplico Insurance Company Limited

Source: IRA Annual Report 2016

Appendix II: Research Questionnaire

This questionnaire is to collect data for purely academic purposes. The study seeks to investigate AGILITY STRATEGIES AND COMPETITIVE ADVANTAGE OF INSURANCE COMPANIES IN KENYA. All information will be treated with strict confidence. Do not put any name or identification on this questionnaire.

Answer all questions as indicated by either filling in the blank or ticking the option that applies.

SECTION A: DEMOGRAPHIC INFORMATION

1) What is your highest academic qualification?

Certificate [ ] Diploma [ ]

Bachelor's degree [ ] Post graduate [ ]

2) How many years have you served the company?

Less than 1 year [ ] 1-5 years [ ]

6-10 years [ ] 11-15 years [ ] More than 15 years [ ]

SECTION B: AGILITY STRATEGIES and COMPETITIVE ADVANTAGE

INNOVATIVENESS

3) What are some of the innovations in your company for the last five years

……………………………………………………………………………………

……………………………………………………………………………………

4) Please indicate the extent that the following aspects of innovativeness affect the competitive advantage of your company

Where: 5- Very Great Extent 4-Great Extent 3-Moderate Extent

2-Low Extent 1- No Extent

Aspects of Innovativeness	**1**	**2**	**3**	**4**	**5**
Product development					

New business models					
Efficiency improvements					
Digitized processes					
Enterprise resource planning					

5) In what ways has innovativeness improved the performance of your company?

....

....

....

6) In your opinion, what other innovative strategies should insurance companies adopt to improve on their competitive advantage?

....

....

OPERATIONAL DEXTERITY (*redesigning operating strategies for ultimate speed and flexibility)*

7) To what extent does operational dexterity affect the competitive advantage of your company?

Very great extent [ ]

Great extent [ ]

Moderate extent [ ]

Little extent [ ]

No extent [ ]

8) Please indicate by ticking the appropriate box the extent to which you agree with each statement related to operational dexterity. Use a scale of 1-5 where 1=strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree

Aspects of operational dexterity	**1**	**2**	**3**	**4**	**5**

The company has redesigned operating strategies for ultimate speed and flexibility					
Our company is embedding valued complexity to create new products, services and customer interactions that deliver greater value					
Our company carefully consider how best to take advantage of global efficiencies while addressing local needs					
Our company offer business solutions that integrate the business network of customers, suppliers and partners					
Our company emphasize comprehensive change not incremental system or process improvements that transforms business to enjoy increased gains through emerging technology exploitation					

9) In what ways has operational dexterity improved the performance of your company?
....
....
....

10) **TOTAL QUALITY MANAGEMENT(***is a comprehensive and structured approach to organizational* ***management)***

11) In which ways is quality management conducted in your institution?
....
....
....

12) Please indicate the extent that the following aspects of quality management affect the competitive advantage of your company

Where: 5- Very Great Extent 4-Great Extent 3-Moderate Extent

2-Low Extent 1- No Extent

Aspects of Quality management	1	2	3	4	5
Eliminating product defects					
Service delivery					
Product quality					
Human resource management					
Product design					

13) In what ways has quality management practices improved the competitive advantage of your company?

....

....

RESOURCE FLUIDITY (*this means being able to flexibly move resources from one place to another as needed)*

14) To what resource fluidity affect the competitive advantage of your company?

Very great extent [ ]

Great extent [ ]

Moderate extent [ ]

Little extent [ ]

No extent [ ]

15) Please indicate the extent that the following aspects of resource fluidity affect the competitive advantage of your company

Where: 5- Very Great Extent 4-Great Extent 3-Moderate Extent

2-Low Extent 1- No Extent

Aspects of resource fluidity	1	2	3	4	5

Fluid re-allocation and utilization of capital resources					
Mobility of people and knowledge					
Modular structures					
Business system flexibility					
Management competence					
Diversified portfolio of independent units					
Central corporate control over key resources					
Structured processes for decreasing investments or selling of units					

COMPETITIVE ADVANTAGE

16) Please indicate by ticking the appropriate box the extent to which you agree with each statement. Use a scale of 1-5 where 1=strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree

Competitive Advantage	**1**	**2**	**3**	**4**	**5**
My organization's market position can provide strong barriers to entry for other firms					
My organization has a wide the array of products					
Our company enjoys relatively low cost of its products/services					
The organization strategy would be difficult and expensive for rivals to duplicate					
Our company has high capacity to penetrate new markets					
Our company enjoys a strategic market position					

There is mass customization in my company					
There is a high level of research and development (best practices) in my company					
Our company is flexible and easily adopts to changes in the environment					
Our company is always pro-active and take the 1st step					
Our company is constantly come up with new methods of operations that are cost effective					
Our company is perceived as unique by our customers					
Our company enjoys an attractive market position					
Our company has valuable resources that are difficult to duplicate					

THANK YOU VERY MUCH FOR YOUR COOPERATION