

**STRATEGIC AGILITY ENABLERS AND PERFORMANCE OF  
INSURANCE BROKERAGE FIRMS IN KENYA**

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## DECLARATION

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

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## **DEDICATION**

This work is dedicated to my parents Mr. Peter Waweru and Mrs. Cecilia waweru for each and every effort they put in place both spiritually and monetarily to make me who I am today. May almighty God bless you and lift you on high forever endeavors. For all your encouragements and support you gave am proud to be associated with you.

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## **ABBREVIATIONS AND ACRONYMS**

<b>AIBK</b>	-	Association of Insurance Brokers of Kenya
<b>AKI</b>	-	Association of Kenya Insurers
<b>DC</b>	-	Dynamic Capability
<b>DCV</b>	-	Dynamic Capability View
<b>FLP</b>	-	Flexible Product
<b>INC</b>	-	Innovation Competency
<b>IPD</b>	-	Integrated Product Development
<b>IRA</b>	-	Insurance Regulatory Authority
<b>IT</b>	-	Information Technology
<b>ITI</b>	-	Information Technology Integration
<b>MM</b>	-	Modularised Manufacturing
<b>RBV</b>	-	Resource-Based View
<b>RES</b>	-	Responsiveness
<b>ROCE</b>	-	Return On Capital Employed
<b>ROI</b>	-	Return on Investment
<b>SAGA</b>	-	Semi-Autonomous Government Agency
<b>SCC</b>	-	Supply Chain Coordination
<b>SD</b>	-	Speed in Delivery
<b>SPSS</b>	-	Statistical Package for Social Sciences

## ABSTRACT

Globalization has changed the face of the competitive arena that affected in many industries progressing from slow moving, stable oligopolies to hypercompetitive environments. Varied products to changing operational systems are hastily introduced by the many in the insurance industry trying to outperform the competitors. The objectives of this study were to: Determine the strategic agility enablers among insurance brokerage firms in Kenya and to establish the effect of strategic agility enablers on performance of insurance brokerage firms in Kenya. The study employed a descriptive research design and regression analysis. The population comprised 193 insurance brokers operating in Kenya. The relevant data which was required for this research was gathered from primary sources, through the use of a semi-structured questionnaire. The findings were presented using charts and tables. Descriptive statistics for the quantitative data included frequencies, percentages, mean scores and standard deviation. Data obtained from the questionnaires were processed through editing and coding and then entered into a computer for analysis using descriptive statistics with the assistance of Statistical Package for Social Sciences version 22. The study found that formalization, skills and attitude, management commitment and support and digitized processes affect the performance of the insurance brokerage firms to a great extent. The study found that organisation structure, discontinuous innovation, human capital, management commitment and support, information technology integration and operational processes effectiveness affects the performance of insurance brokerage firms in Kenya. The study also found that discontinuous innovations such as experimentation with new ideas and exploration of new paradigms affect performance of insurance brokerage firms in Kenya. The study found that staff skills, attitudes, experience and competence are very significant in the performance of insurance brokerage firms. However, there is no teamwork among employees in the insurance brokerage firms. The study concludes that there is more emphasis on the quality (TQM) and supply chain coordination among the insurance brokerage firms in Kenya which greatly affect their performance. The study recommends that the management of insurance brokerage firms should put in place cost-effective measures for timely risk identification and effective risk mitigation so as to ensure that their financial performance is not impacted negatively. The study also recommends that insurance brokerage firms need to develop robust technology-enabled innovation strategies that define how a company sources and develops technology to help deliver compelling new products, services, customer experiences and business models while simultaneously creating barriers to entry. The insurance brokerage firms should adopt the use of IT in their service delivery in order to improve their efficiencies as the higher the level of usage, the more efficient firms become the more profitable it is. The study recommends that managers of insurance brokerage firms should put forward strategic plans to ensure that insurance claims complaint files are properly kept, monitored and handled for needs that may warrant its usefulness in the future. Insurance brokerage firms should integrate their departments, their key suppliers and payment system to make it easy for processing of documents which shall result into efficiency hence improved performance.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

In a dynamic situation in which markets rise, impact, split, advance, and bite the dust, one of the essential determinants of a company's prosperity is vital spryness - the capacity to stay adaptable in confronting new improvements, to conform the organization's key bearing persistently, and to create imaginative approaches to make esteem in this manner upgrading the association execution. The focused scene has been moving as of late like never before. Globalization, quick innovative change, the codification of learning, the Internet, ability and worker versatility, expanded rates of information exchange, impersonations, changes in client tastes, the outdated nature of items and plans of action have all brought on a turbulent domain and quickened changes and disturbances. These patterns are required to keep, delivering perpetually fast and eccentric changes which certainly influence the organizations' general execution (Weber & Tarba, 2014). Companies which through inventiveness and development can make advertise openings speak to the second level of readiness. This is a proactive model of big business deftness, in which innovative work is a key capacity (Tikkanen, 2014). It requires from representatives a more extensive and more profound learning, new thoughts, precise research, and imagination.

This study embraces a Resource-Based View (RBV)(Hoffman 1984) of the organization and Dynamic Capability (DC) (Teece, Pisano & Shuen,1997) way to deal with the significance of institutional assets and abilities to organizational performance. While the asset based view (RBV) recommends that associations accomplish the upper hand by gaining resources and assets that not the same as those of adversaries. The dynamic ability see (DCV) writing, in any case, contended that past the assets and resources; a lot of which can be imitated by

contenders, it is at least the interesting capacities incited by associations that shape managed upper hand.

Kenya's protection division is among the most created and developing in Sub-Saharan Africa. It, in any case, has one of the most reduced infiltration rates with protection intermediaries confronting extraordinary rivalries (Mudaki, 2011). The protection business firms need to adapt to the difficulties postured by solid rivalry between the offices whose number has expanded hugely in the most recent one year. This is combined with refusal by the protection firms to respect bona fide asserts henceforth slaughtering the small existing customer certainty. In this way, the financier firms need to adjust to the ever turbulence money related part to remain focused or come up short through and through particularly with the initiation of banc affirmation. Protection representatives have needed to adjust their circumstances in order to continuously reinforce their operations and monetary execution in the wake of such changing conditions in the focused Kenyan protection showcase (Mudaki, 2011).

### **1.1.1 Strategic Agility Enablers**

In the business world which is coordinated progressively within the three elements of client, rivalry, and change, associations are attempting to discover the answers for their key issues. In the previous decade, most organizations adjusted rebuilding and re-designing because of environment difficulties and requests, yet these days the old methodologies and arrangements have lost their competency to manage the hierarchical difficulties and they are getting supplanted with new strategies. The best and most up to date method for survival and accomplishment of the associations is concentrating on their authoritative deftness. The authoritative nimbleness is an astutely and finish reaction to the quickly changing prerequisites in focused markets and prevailing by the open doors the association gets (Buhner, Konig, Pick & Krumm, 2010).

Distinctive empowering influences/drivers, skills and suppliers or empowering influences are considered for the authoritative readiness. It is assumed that the drivers are the principle variable of spryness necessity; the capabilities are the reflectors of authoritative capacity to manage the progressions and are really considered a foundation for upkeep and improvement of deftness; and the suppliers or empowering influences assist the association to manage change, disorder and vulnerability and are the devices in which the dexterity is acquired; in alternate words, they are the platforms to achieve the readiness skills. The deftness drivers are the progressions which happen in a situation and fortify avow to change the ebb and flow technique, concede the need to wind up dexterous and consider the spryness as a strategy for survival and advance. In any case, it must be noticed that these powers are begun from both outside and inner assets (Batra, Kaushik & Kalia, 2012).

As per Fritz (2007), fruitful associations concentrate on four empowering agents of vital readiness: individuals, standards, procedures, and advances. They make both long haul continuing perfection and in the meantime empower transient element execution. Individuals and Principles are associated with the way of life of the association, and greater affect long haul execution, while Processes and Technologies, which drive operations, have more effect on transient execution. By concentrating on all these four empowering influences, firms can work for both long haul persevering brilliance and for transient element execution. This study will concentrate on association structure and strategies, broken development, human capital, administration responsibility and support, data innovation mix and headway and operational procedures adequacy as the principle vital deftness empowering agents in the protection business.

### **1.1.2 Organizational Performance**

Performance of organization in any kind of industry is extremely vital to administration as it depicts the results accomplished by a person or a group of people in an association. Organizational performance is characterized regarding the capacity of an association to fulfill the sought desires of three principle partners including proprietors (government), workers and clients. To Chen and Chen (2008) organization performance implies the "change of contributions to yields for accomplishing certain results. Performance educates on the connection amongst negligible and successful cost (economy), in compelling expense and acknowledged yield (proficiency) and amongst yield and accomplished result (adequacy).

Borade (2008) states that organizational performance includes repeating exercises that build up organizational objectives, screens the advance towards the objectives and makes conformity to accomplish the objectives all the more adequately and proficiently. It can hence be contended that organizational performance can be judged as far as regardless of whether an association has accomplished the goals set before it. Borade (2008) states that a measure of organizational performance is a comprehension of the relationship between financial information sources and yields.

A performance measurement framework should cover all pointers of performance that are pertinent for the presence of an association and the methods by which it makes progress and development (Gomez-Mejia, Balkin & Cardy, 2008). Most studies on organizational performance utilize an assortment of money related and non-budgetary achievement measures. financial related measures incorporate issues, for example, benefit, Return on Investment (ROI), Return On Capital Employed (ROCE), and stock turnover. Non-financial measures include ingenuity, client dependability and market share as highlighted by (Gomez-Mejia, Balkin & Cardy, 2008).

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

The history of insurance business in Kenya dates back to the colonial days when the market was dominated by branches of foreign insurance companies operating under the Insurance Companies Act of 1960. With the enactment of a new Insurance Act in 1984, the regulatory powers for the insurance sector were bestowed upon the Ministry of Finance, functionally under the Commissioner of Insurance. The Insurance (Amendment) Act 2006 created the Insurance Regulatory Authority (IRA), A Semi-Autonomous Government Agency (SAGA), to regulate the insurance industry in Kenya. IRA took over the responsibilities hitherto performed by the Commissioner of Insurance, Ministry of Finance. The Insurance Act, CAP 487 is the key piece of legislation providing the legal and regulatory framework for the regulation of the insurance industry in Kenya.

There are two major Insurance Associations, namely; The Association of Insurance Brokers of Kenya (AIBK) and The Association of Kenya Insurers (AKI). The industry consists of 53 insurance companies (life and non-life insurance companies), 196 Insurance Brokers, 4873 Agents, 28 Medical Insurance providers, 26 Loss Adjusters, 29 Surveyors, 101 Assessors, 7 Risk Managers and 129 Investigators. The Gross written premium grew by 20.3% in 2014 and Gross Premium was Ksh 157.21 billion (AKI, 2014).

In Kenya, the protection business added to 3.5% of the Gross Domestic Product (GDP) in 2015 (AKI, 2015) contrasted with South Africa, Namibia and Mauritius which evaluated at 15.4%, 7.7% and 5.8% individually. The business has seen enormous variations within the past portrayed by mergers and procurements and in addition fall of particular insurance agencies. Arrangement Holders Compensation Fund Report (2015) indicates with dissatisfaction that throughout the previous fifteen (15) years, fourteen (14) insurance agencies have gone "under" and have also been put under statutory administration.



By world principles, the Kenya protection market is little as far as premium pay. It is anyway one of the main markets in Africa possessing the seventh position 5 passing by the 2013 measurements distributed in "Sigma." It positions fourth as far as protection infiltration after South Africa, Mauritius and Zimbabwe with a rate of 3.12%. Protection premiums amid the main quarter of 2016 enlisted a year-on-year development of 9.6% while a 16.4% year-on-year development was enrolled in the primary quarter of 2015 (IRA, 2016). As per a rundown distributed by the Commissioner of Insurance, as by June 2016, there are 193 enrolled protection intermediaries as of now working in the market and 6596 enlisted protection specialists. The market likewise has around 396 enlisted surveyors, misfortune agents, and specialists, notwithstanding five qualified statisticians working in the business.

#### **1.1.4 Insurance Broking Sector in Kenya**

According to a list published by the Commissioner of Insurance, there are 193 registered insurance brokers currently operating in the market. Eagle Africa Insurance brokers, Chancery Wright Insurance Brokers Limited, Aon Kenya Insurance Brokers Ltd and Liaison Group insurance brokers are some of the leading insurance brokers in Kenya in terms of market share (Amabil, 2015).

The insurance brokers compete to secure a greater market share in risk management, actuarial consulting, insurance broking, medical fund administration, life and pension's management, medical scheme administration and employee gains consulting services to small, intermediate and big firms in Kenya, in addition to individuals from diverse walks of life (Miano, 2010). The insurance firms, with whom the brokers work with, have greatly achieved a lot over the past decades. This is evident in enlarged premium income generated annually, greater investment income, and bigger market share as well as increased network growth (Swalehe, 2005).

However, due to poor strategies being implemented, insurance growth rate is still relatively low in Kenya, with penetration at 2.93% (IRA, 2015). Additionally, uptake of insurance has been low due to weak marketing strategies, ignorance, lack of awareness and poor perception with regard to insurance services or products on the part of the general public. The brokerage firms are also facing stiff competition and business rivalry from their key business partners, insurance companies, as the firms are now getting rid of the middlemen and opt to sell their products and services directly to the clients to cut operation costs. By doing so, they shelve extra expenditures related to payment of commissions and other related insurance fees and in the long run, the companies end up amassing huge profit margins (IRA, 2015). The insurance brokerage companies partnering with the insurance companies need to design and implement aggressive marketing strategies so as to remain afloat and competitive in the thin market (Standard Investment Bank, 2013). The emergence of bank assurance poses a great challenge to insurance brokers as banks provide insurance services and encourages their customers to purchase directly from them. There has also been an upsurge in the number of insurance agents in the country competing for the same market share.

## **1.2 Research Problem**

Globalization has transformed the nature of the competitive platform of in most of the industries progressing from sluggish moving, steady oligopolies to hypercompetitive surroundings (Batra, Kaushik & Kalia, 2012). Varied products to changing operational systems are hastily introduced by the many insurance brokerage firms trying to outperform the competitors. It is common knowledge that in turbulent environments, companies need agility to survive and thrive. However, it is not enough for companies to just be agile; rather, they should have multiple agilities and use these agilities in a context-sensitive way (Weber & Tarba, 2014). They should apply those agilities that are most appropriate to a given situation and therefore the enablers should be contextualized. The rising of readiness has

received an impressive consideration in managing instabilities in today's quick evolving environment, yet minimal research exists to clarify how organizations can build up the coordinated abilities by focusing on their contextual enablers.

The rivalry between the 193 insurance brokers in Kenya is very intense as they compete for the small number of insurance customers in the market. They operate in a very competitive market trying very hard to outsmart each other to maintain a top position in the Insurance Brokerage industry and also improve their financial performance (Miano, 2010). In spite of the expansion in the organizations inside the business their performance has not been amazing. The pattern implies that on a relative scale, protection as an industry has been encountering minimal shrinkage (AKI, 2015). Insurance brokerage organizations are embracing all mean of showcasing ways to deal with be in a place of making incredible offers of protection administrations as they faced heightened rivalry which is making them register low profits and even losses. Availability of core competencies in many insurance brokerage firms remains as a major challenge as most staff are not professionally trained in insurance matters (Fisher & Noble, 2015). This leads to new product innovation problems that greatly affect development of products with higher demand in the insurance market (Buhner et al, 2010). Furthermore, only a limited number of insurance brokers have sought to adopt and implement competitive and agility strategies by providing new insurance products and services in the target market. Thus, the brokerage firms have to adapt to the ever turbulence financial sector to stay competitive or fail altogether especially with the competition from bancassurance services by the banks and the numerous insurance agents in Kenya.

Previous international studies on agility enablers include Sudon, Abareshi and Pittayachawan (2015) who did a study on agility enablers, capabilities and performance Thai automotive part industry, Ahmad and Loay (2014) focused on the effect of tactical discerning and tactical

suppleness on calculated performance: a case study of Jordanian Insurance Industry Companies, Tikkanen (2014) who conducted a study on dynamic capability influence on strategic agility: a case study in Energy Conservation Industry and Nour and Mahboobeh (2010) who reviewed the analytical tactic to efficient aspects on organizational suppleness.

Local studies on strategic agility include: Maina (2014) who did a study on TQM and operations management tools as suppleness plans applied by organizations in Kenyan dairy industry, Chirchir (2015) focused on the relationship between organizational agility and operational productivity at Kenya Ports Authority, Muthoni (2015) looked at the influence of strategic agility on competitive capability of private Universities in Kenya while Okotoh (2015) conducted a study on the influence of organizational agility on operational performance of trademark East Africa. None of these studies has focused on the strategic agility enablers in the insurance brokerage firms. This study sought to fill this gap by answering the question, what is the impact of strategic agility enablers on performance of insurance brokerage firms in Kenya?

### **1.3 Research Objectives**

The objectives of this study were to:-

- i. Determine the strategic agility enablers among insurance brokerage firms in Kenya
- ii. Establish the effect of strategic agility enablers on performance of insurance brokerage firms in Kenya.

### **1.4 Value of the Study**

In practice, this research will be beneficial to the Kenyan insurance brokers' top management and strategic planning managers, as it will help them apply agility strategies for value addition, business growth and enhancing performance. They will also be equipped with relevant knowledge on how to operate competitively in the competitive insurance market by

designing agile strategies which offer formidable competition, better insurance services, low operating costs, and maximizes profits as well as address the challenges faced in the implementation of the agility strategy.

Theoretically, the study will supplement the prevailing body of knowledge in the field of insurance and can also be referenced in future research; both in insurance and other related areas in the financial sector. It will add to the concept and theory of strategic agility. Academic researchers can also use the study findings to stimulate further research on effect of strategic agility enablers on performance of insurance brokerage firms and insurance industry at large.

The study will also help Government policy makers, for instance, the National Treasury, Insurance Regulatory Authority among others, to utilize the findings to regulate the insurance sector by coming up with customized regulatory policies that promote growth of the insurance sector, fair competition, provide a level playing field for the brokers and stops clients' exploitation. The policymakers will find the study significant since as the nation equips on the best way to accomplish the Vision 2030 aims, insurance industry that falls inside the more noteworthy money related administrations division will be one of the key drivers of this respectable goal consequently it will be a craving for all Kenyan's to know how best they can tap on this industry.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The chapter covers a theoretical foundation, strategic agility enablers, organizational performance, strategic agility enablers and organizational performance and finally summary of empirical literature and research gap.

#### **2.2 Theoretical Foundation**

This section reviews relevant theories in relation to the study. The study will be anchored on the resource based theory supported by the competency-based theory and the dynamic capability theory.

##### **2.2.1 Resource Based Theory**

The resource based theory postulates that the firm's resources are regarded as inputs in the production process and can be categorized into three groups; human capital, physical capital, and organizational capital. A capability is an ability for a set of resources to achieve a given task of an operational activity. Each company is a collection of unique resources and capabilities that offers the foundation for its strategy and the primary source of its profits. In the 21st-century hyper-competitive landscape, an organization is an assortment of evolving capabilities that is managed with dynamism in the quest of above-average incomes. Thus, differences in company performances across time are determined primarily by their exceptional resources and capabilities as opposed by an industry's structural characteristics (Porter, 2008).

Furthermore, the resource based view believes the organization as a package of resources: organizational capabilities, intangible and tangible resources. Profits that are competitive are

maintained throughout the period normally come up from the formation of packages of resources and abilities. For the profits to be maintainable, four principles must be contented: rareness, valuable, difficulty in imitation, and difficulty in substitution. Such an assessment requires a sound awareness of competitive background in which the organization is operating (Hamel, 2000).

### **2.2.2 Competency-Based Theory**

Competency-based theory expresses competencies as behavioral skills of individuals with technical knowledge that acts as indicators of success in an organization. Competence-based Strategic Management is a way of thinking about how companies gain high performance for a substantial period of time. Competence-based strategic management theory explicates how firms can develop sustainable competitive advantage in a structural and systematic way (Borade, 2008). This theory defines competence as the ability to sustain the synchronized deployment of resources in ways and means that assist a company attains its goals (creating and distributing value to customers and stakeholders).

A competency is a causal characteristic of an organization or individual that is fundamentally linked to a criterion-referenced effective and/or superior performance in a job setting. Nurturing a competent organizational work force can take years to be achieved. Performance management systems are characteristically founded on personal competencies that differentiate high from average performance for successful managers. These personal competencies emanate from core competencies and values of the company (Porter, 2008).

### **2.2.3 Dynamic Capability Theory**

Dynamic capabilities theory examines how firms integrate, build, and reconfigure their internal and external firm-specific competencies into new competencies that match their turbulent environment (Teece, Pisano & Shuen, 1997). The theory assumes that firms with

greater dynamic capabilities will outperform firms with smaller dynamic capabilities. The aim of the theory is to understand how firms use dynamic capabilities to create and sustain a operational performance over other firms by responding to and creating environmental changes. Capabilities are a collection of high-level, learned, patterned, repetitious behaviors that an organization can perform better relative to its competition.

The concept of dynamic capabilities arose from a key shortcoming of the resource-based view of the firm. The theory suggests organization acquire capabilities by which its idiosyncratic resources can be manipulated to match with changing market environment (Buhner, Konig, Pick & Krumm, 2010). With dynamic capabilities, sustained operational performance comes from the firm's ability to leverage and reconfigure its existing competencies and assets in ways that are valuable to the customer but difficult for other competitors to imitate. Dynamic capabilities help firm's sense opportunities and then seize them by successfully reallocating resources, often by adjusting existing competencies or developing new ones.

### **2.3 Strategic Agility Enablers**

To achieve the desired level of agility, organizations usually use agility enablers which allow them to acquire and retain the necessary agile skills (Laschinger et al, 2010).It is supposed that the drivers are the main factor of agility requirement; the competencies are the reflectors of organizational ability to deal with the changes and are counted as a base for maintenance and development of agility (Ahmad & Loay, 2014).

#### **2.3.1 Organization Structure and Policies**

Eisenhardt and Martin (2010) highlighted policies and organization systems as basic elements for facilitating agility and flexibility in the firms. The firms' arrangement and advances ought to clearly maintain its structures and competitive needs. A hierarchical structure is best



adapted when there is a great requirement for completing and procedures through management. Then when suppleness is needed for an environment where sudden changes and more efficient communication is needed, a decentralized system or a flat structure are put up which can work effectively. A flat system organization can get profits and when individuals can be elastic in their work they can also improve and adapt to unexpected changes. Network/matrix kinds of managerial formations also help. The lesser hierarchical controls can get out extra originality from work groups and people (Rowe, 2011).

The formation of a firm restricts its quickness in most enterprises and corporations. An original policy needs often main reorganization and lead to much for the firm. Still then the change can stay useless because the familiar parts of the firm have not been incorporated when applying the change. Currently, many firms intend to be flexible and have much focus areas and directions. The formation gives more policy choices and directions as a key quickness enabler (Doz and Kosonen, 2008).

### **2.3.2 Discontinuous Innovation**

Companies which through creativity and innovation can create market opportunities represent the second level of agility. Creating market opportunities through generating new needs is a qualitatively different approach than responding to opportunities by identifying and satisfying the needs which appear on the market. This is a proactive model of enterprise agility, in which research and development is a key function (Dess, 2011). It requires from employees broader and deeper knowledge, new ideas, systematic research and creativity. Such a company not only keeps pace with the needs of customers, but it can also create new needs which customers have not been aware of before (Foss, 2015).

Strategic agility requires inventing new business models and new categories rather than rearranging old products and categories. To cope with growing strategic discontinuities and

disruptions, scholars have suggested the creation of strategically agile companies including: new ways of managing business transformation and renewal; developing dynamic capabilities; creating imitation abilities; maintaining high level of organizational flexibility; developing learning and knowledge transfer skills; using adaptive corporate cultures; and devising post-acquisition integration approaches(Weber & Tarba, 2014).

### **2.3.3 Human Capital**

Many companies have intuitively recognized the importance of people in the achievement of strategic agility. It is not surprising that companies that figure in Best Places to Work lists are also in the forefront in terms of agility and resilience. Such companies appoint CEOs who are able to manage short-term performance without losing sight of long-term growth. Hamel (2000) argues that what companies need most—more than the talented people they hire—are cultures and systems in which these great people can actually use their talents, and, even better, management practices that produce extraordinary results from almost everybody. While the development of such cultures takes time, a strategy that relies on developing and fostering such cultures inherently provides strategic agility.

Traditionally, strategic management has been commonly associated with the ability to ensure long term security for an enterprise. However, as observed by Armstrong (2006), the notions of ‘long-term’ and ‘security’ are gradually becoming degraded and obsolete. Thus, strategic management ought to focus on identifying opportunities in a nexus of random phenomena. The most valuable employees are those characterized by a very high degree of creativity and innovation. What is needed, therefore, is a culture conducive to learning collaborative forms of work and knowledge management (Buhner, Konig, Pick & Krumm, 2010). Agile human resources need to include teaching, teamwork, incentives and organic remuneration systems.

### **2.3.4 Management Commitment and Support**

Attention is also paid to management levels, distinguishing the strategic level which involves strategic flexibility, i.e. the ability of an organization to actively anticipate the allocation of resources, modification of business partnerships, market opportunities, changing environmental conditions, and technological needs. Leadership unity involves the ability of the top team to make bold decisions fast. The leadership team's unity allows decisions to be reached at lightning speed once a strategic situation has been understood and the choices it opens or closes have been intellectually grasped (Mason, 2010).

As written by Doz and Kosonen (2008) that firms' require for formation quickness is the greatest when dealing with big and quick showing changes which are not linked to one another. The firm is most probably to require different lever of management to facilitate strategic quickness. Emotional lever, organizational and political levers and cognitive lever affect the companies in many different ways and can be used according to the matter which is reflected on most. Organizational learning is another strategic agility enabling factor.

### **2.3.5 Information Technology Integration and Advancement**

Information technology integration (ITI) includes for example, the development, management, and use of computer based information systems that devotes to information capturing, transmitting, storing, retrieving, manipulating and displaying (Buhner, Konig, Pick & Krumm, 2010). Increasingly, the adoption of IT is essential to allow manufacturers to quickly and economically adapt the IT application to support changes in manufacturing processes. The studies have revealed an improvement of agility attributes through the application of IT. IT integration allows the formation of non-hierarchical business network in which an individual firm's resources are shared across organizational boundaries. Tasks are

carried and operated through an integrated business networking, resulting in a speedy production process.

At the most basic level, technologies enable processes, but more critically, they allow various ways of performing a process and at the same time enable innovation of these processes. Agile technologies need to include advanced technologies (Buhner, Konig, Pick&Krumm, 2010). Customer and supplier information should be integrated and planning systems to be in place. Knowledge management continues that databases should be accessible and continuously modified by working teams, experimentation supported by organization and there should be formal systems in place to develop best practices.

### **2.3.6 Operational Processes Effectiveness**

For the world's most innovative and best performing companies, innovation is not only about products, but also about processes. Processes are at the heart of the actualization of strategy. They embody the principles of the organization, and also the interactions between people in the company. Given the understanding that it is not only what organizations do but also how they do it that provides competitive advantage, processes become central in enabling strategic agility (Dess, 2011). Thus, although companies may be committed to their employees, their success comes from more than that commitment (Rowe, 2011). Their success derives from its ability to implement the values that stem from this commitment.

Supply chain coordination (SCC) is yet another source of dynamic capabilities essential for an institution to gain and release resources necessary for agility. SCC is seen as the capability to bring new resources into the institutions from external sources. This includes the ability to copy, transfer, and recombine resources especially knowledge-based among the company and its supply chain partners. SCC is seen as one of the most attractive key drivers of agility. Firm pursuing SCC to support flexible and temporary alliance to obtain synergy resources

necessary to provide agility. Through a temporary alliance, firms can quickly form, reform and dissolve linkages to be consistent with fluctuate market conditions (Armstrong, 2006).

## **2.4 Organizational Performance**

Wall, Michie, Patterson, Wood, Sheehan, Clegg and West (2004) argues that performance is a result or set of results that represent productivity and competence related to an established objective, goal or standard. Organizational performance is measured as a composite index comprised of five partial measures: service quality, level of productivity, profitability product to market time and rate of innovation, absenteeism and turnover. Job performance has become one of the significant indicators used in measuring organizational performance in many studies. Performance is oftentimes determined by financial figures, but can also be measured through the combination of expected behavior and task-related aspects (Motowidlo, 2003).

Performance that is based on an absolute value or relative judgment may reflect overall organizational performance (Griffin, Neal & Parker, 2007). Job performance is a multi-dimensional construct. Two aspects of performance-related behaviors that are increasingly important in today's work organization are proactive behavior and creativity. Service quality plays an essential role in the business world. in customer satisfaction, customer retention, customer loyalty and profits. The service-profit chain also connects internal service quality with employee satisfaction and loyalty and customer satisfaction and loyalty with organizational growth and profits (Bass, 1994).

## **2.5 Strategic Agility Enablers and Organizational Performance**

For achieving desired performance outcome, an enterprise should be able to measure and identify factors which are the key for becoming flexible in that particular field of business. The objective of an agile enterprise is the satisfaction of its customers and employees and

through acquiring the necessary skills a company can appropriately respond to changes in the economic environment. Agility enablers promote organizational performance (McCann, Selsky & Lee, 2009). In linking variables, companies might trade agility in one component for another based on strategic thinking.

In a competitive market, multiple capabilities might be required. Companies need to be ready to handle changing variables in the market. Such readiness is considered a strategic asset in enhancing a company performance. Nour and Mahboobeh (2010) examined the analytical approach to effective factors on organizational agility. The researchers have classified these factors under three sections including drivers, capabilities and enablers of the agility. The study found that the drivers, capabilities and enablers of organizational agility enhance organizational performance in the four BSC perspectives.

As found by Mason (2010) that there exists a connection between internal overall performance and operational agility enablers in active and vague circumstances. In addition, he indicated that there is a link between markets related overall performance and operational agility in general performance in similar situations. In the other words, the agility drivers are the changes which happen in an environment and stimulate a firm to revise the current strategy, admit the need to become agile and consider the agility as a method of attaining the desired outcomes, survival, and progress.

Yusuf *et al* (2009) have identified five drivers for organizational agility as following: Automation and price/cost consideration; widening customer choice and expectation; competing priorities; integration and pro-activity; achieving manufacturing requirements in synergy. They concluded that all these enablers affect the performance of an institution in various ways but most importantly by enhancing customer satisfaction and financial achievement through increased productivity.

Sudon, Abareshi and Pittayachawan (2015) did a study on agility enablers, capabilities and performance of Thai automotive part industry. The key components of agility are identified and are used to perform both exploratory and confirmatory factor analysis in order to provide a research-ready instrument. The results revealed four distinctive manufacturing practices including Integrated Product Development (IPD), Modularised Manufacturing (MM), Supply Chain Coordination (SCC) and Information Technology Integration (ITI) as the key enablers of agile capabilities which enhanced the performance of the industry. These manufacturing practices supported the development of agile capabilities in the areas of Responsiveness (RES), Flexible Product (FLP), Innovation Competency (INC), and Speed in Delivery (SD).

## **2.6 Summary of Empirical Literature and Research Gap**

An excellent assessment of enterprise agility requires reflecting on the basic members in the inside ground of the enterprise: the consumers, the competitors, and the suppliers. As it can be understood from this sections, considered organization constantly demands trying to stabilize things to attain the require performance results. If effectiveness is basic, then nimble management is not so much studied. But in big companies have to have places where they respond fast and reconfigure and use open resources in many ways. This is compulsory to be a fast and continuing process also.

Previously, there are studies on agility enablers. For instance, Abareshi and Pittayachawan (2015) did a study on agility enablers, capabilities and performance, Tikkanen (2014) conducted a study on dynamic capability influence on strategic agility: a case study in Energy Conservation Industry while our and Mahboobeh (2010) reviewed the analytical approach to effective factors on organizational agility. Locally, Chirchir (2015) focused on the relationship between organizational agility and operational productivity at Kenya Ports Authority; Muthoni (2015) looked at the influence of strategic agility on competitive

capability of private Universities in Kenya while Okotoh (2015) conducted a study on the influence of organizational agility on operational performance of trademark East Africa. None of these studies focused on effect of strategic agility enablers on performance of insurance brokerage firms in Kenya. This is despite the fact that their performance has been dwindling due to competition from other players in the market. This therefore leaves a study gap which the study sought to fill by focusing on the effect of strategic agility enablers on performance of insurance brokerage firms in Kenya.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter focuses on the methodology that was used in this research project. It entails the research design, population, the data collection methods and finally the data analysis techniques.

#### **3.2 Research Design**

The study employed a descriptive research design. As per De Vaus (2001), descriptive research design looks at the relations between variables in a natural as opposed to laboratory setting. From the time when the situations have already happened, the researcher picks the pertinent variables for an analysis of their relationships. The method was selected since it is more exact and precise as it entails description of situations in a sensibly planned manner (Babbie, 2004). According to De Vaus (2001), descriptive statistics aims to find out what is happening and views descriptive statistics as indices that describe a given sample and relationship. This method was easy to plan and execute and it also enabled gathering of data of a variety of issues related to the subject matter of this study.

#### **3.3 Population of the Study**

The population comprised the 193 insurance brokers operating in Kenya (appendix II) as listed by the Insurance Regulatory Authority (IRA, 2016).

#### **3.4 Sampling**

Since the study population was homogeneous in that the brokers deal with the same services, the study adopted simple random sampling by taking 50% of the target population. This gave a sample size of 97 insurance brokers. According to Cooper and Schindler (2003), when well

chosen, a sample size of 30% or more is good enough representation to give reliable and credible results that can be generalized to the whole population.

### **3.5 Data Collection**

Data in this context refers to raw information gathered from the field or information that has not been scrutinized or processed in a more significant manner. The relevant data which was required for this research was gathered from primary sources, through the use of a semi-structured questionnaire. The data collection instruments comprised of both unstructured and structured questions. A Likert-type scale format was used for the structured items. The data was collected from the insurance brokerage firms' top executives who formed the study respondents. The questionnaire were administered using a drop and pick method. Before administration, the study conducted a pilot test with 15 respondents to ensure validity and reliability of the research tools.

### **3.6 Data Analysis**

The study produced both qualitative and quantitative data. Data was analysed using descriptive statistics with the assistance of Statistical Package for Social Sciences version 22. Descriptive statistics for the quantitative data included frequencies, percentages, mean scores and standard deviation. The findings were presented using charts and tables. Further multiple regression analysis was adopted to ascertain the relationship between the variables. The multiple regression model generally assumed the following equation;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon$$

Where: Y= firm performance (both financial and non-financial);  $\beta_0$ =constant;  $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$  and  $\beta_6$ = Beta coefficients;  $X_1$ = organization structure and policies;  $X_2$ = discontinuous innovation;  $X_3$ = human capital;  $X_4$ = information technology integration and advancement;  $X_5$ = operational processes effectiveness;  $X_6$ = Management Commitment and Support;  $\varepsilon$  =

Error term. The scores for the study variables were obtained by transforming and computing the variables using the SPSS whereby all the composite score for the variable of the study were collated to a single variable which was then used to run the regression analysis.

The qualitative data drawn from the unstructured questions was analyzed by using the thematic areas using conceptual content analysis and presented in prose form. Content analysis is a technique for gathering and analyzing the content of text.

## CHAPTER FOUR

### DATA ANALYSIS, RESULTS AND DISCUSSION

#### 4.1 Introduction

This chapter discusses the findings obtained from the field. It discusses the characteristics of the respondents, their opinions on strategic agility enablers and performance of insurance brokerage firms in Kenya.

##### 4.1.1 Response Rate

The study targeted 193 insurance brokerage firms. Out of 97 questionnaires administered, a total of 80 filled questionnaires were returned giving a response rate of 82.5% which is within what Mugenda and Mugenda (2011) prescription of 50% as a sufficient response rate

##### 4.1.2 Reliability Analysis

A pilot study was conducted on 15 respondents to establish reliability of the questionnaires. Reliability was tested using Cronbach's Alpha which has a cut off value of 0.7 (Gliem & Gliem 2012). The finding depicts that all the four variables were reliable since their Cronbach's Alpha was more than 0.7.

**Table 4.1: Reliability Analysis**

	<b>Cronbach's Alpha</b>
Organizational Structure and Policies	.829
Discontinuous Innovation	.733
Human Capital	.751
Management commitment and support	.783
Information technology advancement	.748
Operational Processes Effectiveness	.734

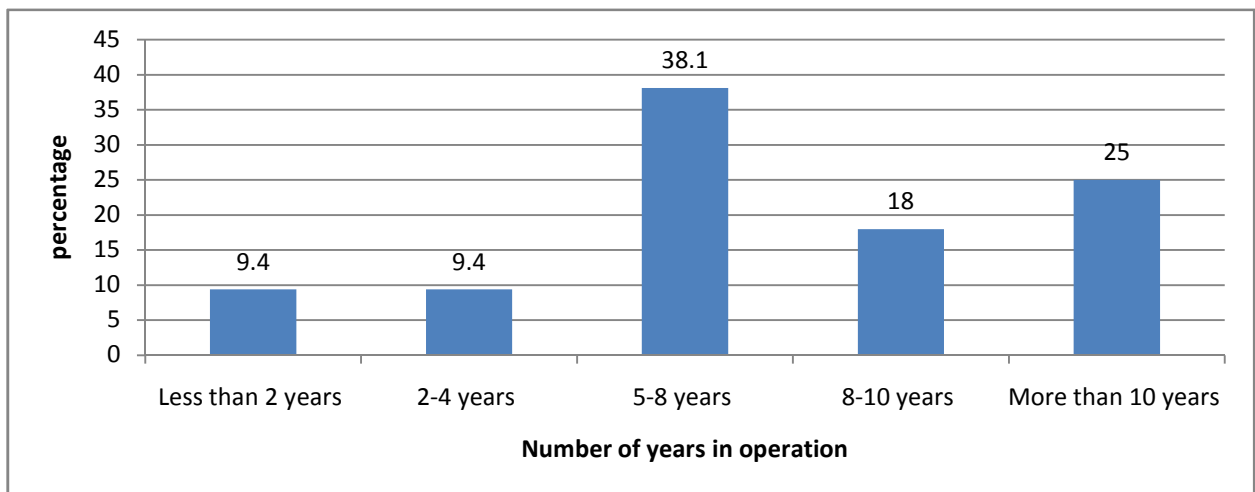
Source: Research data (2016)

## 4.2 Background Information about the Organization

The study sought to enquire on the general information of the organization. The information includes; the year it has been in operation, number of employees in organization and type of organization structure adopted in the organization. This general information is presented below.

### 4.2.1 Duration the Organization has been in Operation

The respondents were required to indicate number of years their organizations have been in operation. The findings are as shown in the figure 4.1.



**Figure 4.1: Duration the Organization has been in Operation**

**Source: Research data (2016)**

From the findings most insurance brokerage firms have been in operations for between 5-8 years representing 38.1%, those that have been in operation for more than 10 years are 25.0%, 8-10 years are 18%, while those who have been in operation for 2-4 years and those in less than 2 years are equal percentage of 9.4% each. The finding implies that the companies have been there long enough hence could give reliable information on the subject matter based on the trends of various aspects over the years.

#### 4.2.2 Number of Employees in Organization

The respondents were also requested to indicate the number of employees the organizations had. The findings were indicated in the table 4.2.

**Table 4.2: Number of Employee in the Organization**

	<b>Frequency</b>	<b>Percent</b>
6-10	11	6.9
11-15	19	11.9
16-20	85	53.1
More than 20	45	28.1
<b>Total</b>	<b>160</b>	<b>100.0</b>

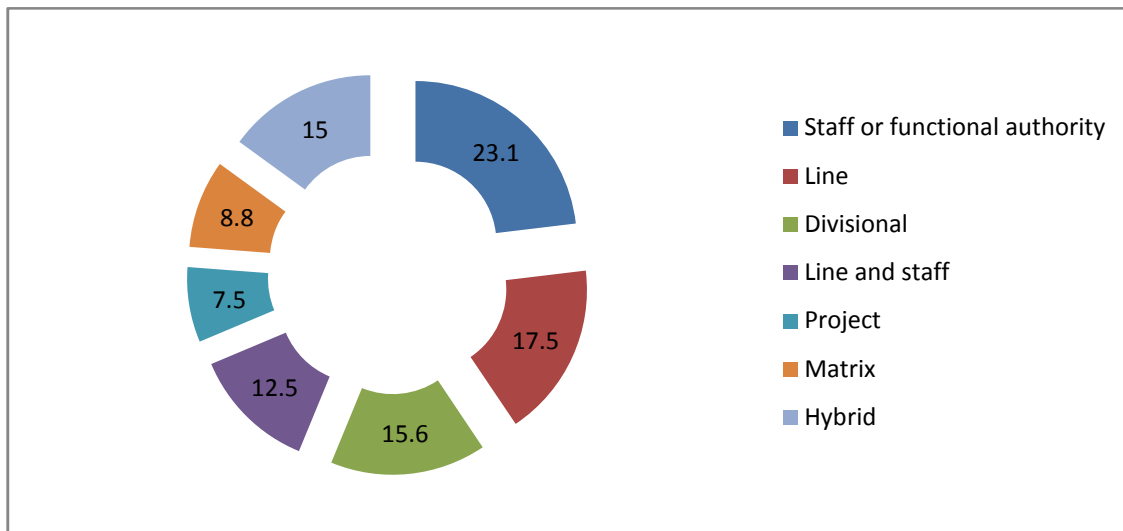
Source: Research data (2016)

As per the findings 53.1% of the respondents noted that their organizations had between 16 and 20 employees, 28.1% indicated that their organizations had more than 20 employees, 11.9% noted that their organizations had between 11 and 15 employees, while a paltry 6.9% of the respondents indicated that their organization has a total of 6-10 employees. The finding implies that most insurance brokerage firms have a total employees ranging between 16 and 20 employees.

#### 4.3 Strategic Agility Enablers and Performance

##### 4.3.1 Organization Structure and Policies

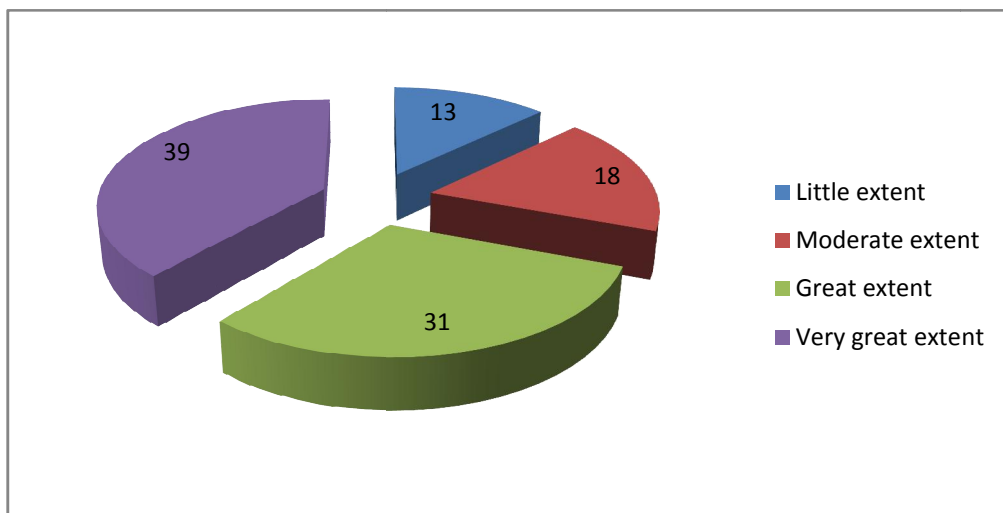
The respondents were requested to indicate type of structure adopted in their organization. The findings were as shown in the figure 4.2.



**Figure 4.2: Organization structure Adopted in the Organization**

Source: Research data (2016)

As per the findings 23.1% of the respondents indicated that their insurance brokerage firms adopt staffs or functional authority structure, 17.5% of the brokerage firms have line kind of organization structure while 15.6% the insurance brokerage firms have line and staff type of organization. Those insurance brokerage firms with hybrid type of the structure are only 15.0%, while 12.5% of the firms had line and staff structure. Further, 8.8% of the respondents indicated that their Insurance brokerages firms have adopted matrix structure and only 7.5% of the insurance brokerages have project type of the organization structure. This implies that most insurance brokerage in Kenya have staff or functional authority type of organization structure implying that they mostly base their operations on the functions or duties to be performed.



**Figure 4.3: Extent that organization structure affects performance of insurance brokerage**

Source: Research data (2016)

From the findings 39% of the respondents indicated that organization structure affects performance of insurance brokerage to a very great extent, 31% indicated great extent, and 18% noted moderate extent whereas 13% indicated little extent. This implies that organization structure affects insurance brokerage firms' performance to a very great extent.

The respondents were asked to indicate the extent of effect to the various aspect of study variables which were in a likert scale of between 1 and 5. Where 1 = Not at all; 2 = Little extent; 3 = Moderate extent; 4 = Great extent; and 5 = Very great extent. The scores were 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 Not at all. On the other hand, the standard deviation shows the skewness of the responses from the mean score.



**Table 4.3: Aspects of Organization Structure**

	<b>Mean</b>	<b>Std. Deviation</b>
Organizational flexibility	3.64	0.914
Functional coordination	3.39	0.904
Business units	2.36	0.849
Hierarchical arrangement of lines of authority	2.53	0.945
Number of hierarchical levels	3.81	0.731
Coordination between departments	3.72	0.877
Formalization	4.55	0.815
Centralization	3.79	0.961

Source: Research data (2016)

From the findings formalization affects insurance brokerage firms' performance to a very great extent with mean of 4.5500 and standard deviation of 0.81495. Number of hierarchical levels affects insurance brokerage firms' performance firms to a great extent with mean of 3.8062 and standard deviation of 0.73113. The respondents also indicated with mean of 3.7875 and standard deviation of 0.96079 that centralization affects insurance brokerage firms' performance to a great extent. Coordination between departments affects insurance brokerage firms' performance in Kenya to a great extent with mean of 3.7188 and standard deviation of 0.87719. The respondents indicated with mean of 3.6437 and standard deviation of 0.91354 that organisation structure affects insurance brokerage firms' performance firms to a great extent. Functional coordination affects insurance brokerage firms' performance to a moderate extent with mean of 3.3875 and standard deviation of 0.90413. Furthermore it was indicated that hierarchical arrangement of lines of authority affects insurance brokerage firms' performance to a moderate extent with mean of 2.5250 and standard deviation of 0.94470. Business units was indicated with a mean of 2.3562 and standard deviation of

0.84932 that it affects insurance brokerage firms' performance to a little extent. This implies that the performance of the insurance brokerage firms in Kenya is greatly affected by the organisational structure with formalization, number of hierarchical levels, centralization and organizational flexibility having the greatest effect. Currently, many firms intend to be flexible and have much focus areas and directions. The formation gives more policy choices and directions as a key quickness enabler. Hence organizational structure has an effect on performance of insurance brokerage firms Kenya.

#### 4.3.2 Discontinuous Innovation

The respondents were requested to indicate the extent aspects of discontinuous innovation affect the performance of insurance brokerage firms in Kenya. The findings were indicated in the table 4.4.

**Table 4.4: Aspects of Discontinuous Innovation**

	Mean	Std. Deviation
Experimentation with new ideas	4.59	0.850
Exploration of new paradigms	3.41	0.934
Pursuit of new strategies	3.76	0.974
Exploration of new knowledge	3.64	0.914
Product development	2.39	0.904
New business models	3.36	0.849

Source: Research data (2016)

From the findings experimentation with new ideas affects insurance brokerage firms' performance firms to a very great extent with mean of 4.5875 and standard deviation of 0.84962. Pursuit of new strategies affects insurance brokerage firms' performance firms to a great extent with mean of 3.7625 and standard deviation of 0.97444. The respondents also

indicated with mean of 3.6437 and standard deviation of 0.91354 that exploration of new knowledge affects insurance brokerage firms' performance to a great extent. Exploration of new paradigms affects insurance brokerage firms' performance in Kenya to a moderate extent with mean of 3.4125 and standard deviation of 0.93424. The respondents indicated with mean of 3.3562 and standard deviation of 0.84932 that new business model affects insurance brokerage firms' performance to a moderate extent. Product development affects insurance brokerage firms' performance to a little extent with mean of 2.3875 and standard deviation of 0.90413. This implies that the insurance brokerage firms are good at experimentation with new ideas and the pursuit of new strategies which goes a long way in enhancing their performance.

### 4.3.3 Human Capital

The respondents were requested to indicate extent human capital affect the performance of insurance brokerage firms in Kenya. The findings were noted in the table 4.5.

**Table 4.5: Extent human capital affects performance of insurance brokerage**

	Frequency	Percent
Little extent	3	4
Moderate extent	17	21
Great extent	25	31
Very great extent	35	44
<b>Total</b>	<b>80</b>	<b>100</b>

Source: Research data (2016)

From the findings 44% of the respondents indicated that human capital affects performance of insurance brokerage to a very great extent, 31% indicated great extent, and 21% noted

moderate extent whereas 4% indicated little extent. This implies that human capital has a significant effect on the performance of insurance brokerage firms.

**Table 4.6: Aspects of Human Capital**

	<b>Mean</b>	<b>Std. Deviation</b>
Employee Competences	3.81	0.731
Employees Behaviors	3.42	0.877
Staff Experience	3.95	0.815
Skills and attitude	4.69	0.961
Teamwork	2.45	0.838
Cooperation with suppliers as well as customers	3.79	0.850

Source: Research data (2016)

As per the findings skills and attitude affects insurance brokerage firms' performance to a very great extent with mean of 4.6875 and standard deviation of 0.96079. Staff experience affects insurance brokerage firms' performance firms to a great extent with mean of 3.9500 and standard deviation of 0.81495. The respondents also indicated with mean of 3.8062 and standard deviation of 0.73113 that employee competence affects insurance brokerage firms' performance to a great extent. Cooperation with suppliers as well as customers affects insurance brokerage firms' performance in Kenya to a great extent with mean of 3.7875 and standard deviation of 0.84962. The respondents indicated with mean of 3.4188 and standard deviation of 0.87719 that employee behaviour affects insurance brokerage firms' performance firms to a moderate extent. Team work affects insurance brokerage firms' performance to a little extent with mean of 2.4500 and standard deviation of 0.83779. This depicts that the staff skills, attitudes, experience and competence are very significant in the performance of insurance brokerage firms. However, there is no teamwork among employees in the insurance brokerage firms.

#### 4.3.4 Management Commitment and Support

The respondents were further required to indicate extent aspects of information technology integration affect the performance of the insurance brokerage firms in Kenya.

**Table 4.7: Extent management commitment and support affects performance of insurance brokerage**

	Frequency	Percent
Little extent	2	3
Moderate extent	16	20
Great extent	32	40
Very great extent	30	25
<b>Total</b>	<b>80</b>	<b>100</b>

Source: Research data (2016)

As per the findings 40% of the respondents indicated that management commitment and support affects performance of insurance brokerage to a great extent, 25% indicated a very great extent, and 20% noted moderate extent whereas 3% indicated little extent. This implies that management commitment and support has a significant effect on the performance of insurance brokerage firms.

**Table 4.8: Aspects of management commitment and support**

	Mean	Std. Deviation
Development and approval of the proposal plans	3.74	0.914
Encouragement of employees	3.49	0.944
Participative and team-based leadership method	2.46	0.889
Budgetary allocation	3.43	0.946
Top management team ability to make brave choices fast	4.31	0.731
Incentives and organic remuneration systems	3.72	0.877
Communication strategy (Open door policy)	3.39	0.988
Organizational Learning culture	2.79	0.790

Source: Research data (2016)

From the findings top management team ability to make brave choices fast affects insurance brokerage firms' performance to a very great extent with mean of 4.3062 and standard deviation of 0.73113. Development and approval of the proposal plans affects insurance brokerage firms' performance firms to a great extent with mean of 3.7437 and standard deviation of 0.91357. The respondents also indicated with mean of 3.7188 and standard deviation of 0.87719 that Incentives and organic remuneration systems affects insurance brokerage firms' performance to a great extent. Encouragement of employees affects insurance brokerage firms' performance in Kenya to a great extent with mean of 3.4875 and standard deviation of 0.98767. The respondents indicated with mean of 3.4250 and standard deviation of 0.94570 that Budgetary allocation affects insurance brokerage firms' performance firms to a moderate extent. Communication strategy (Open door policy) affects insurance brokerage firms' performance to a moderate extent with mean of 3.3876 and standard deviation of 0.93424. Furthermore it was indicated that organizational learning culture affects insurance brokerage firms' performance to a moderate extent with mean of 2.7865 and standard deviation of 0.78965. Finally, Participative and team-based leadership method was indicated with a mean of 2.4562 and standard deviation of 0.88932 that it affects insurance brokerage firms' performance to a moderate extent. It is therefore clear that management commitment and support has a significant effect on the affects insurance brokerage firms' performance firms through their ability to make bold decisions fast and the development and approval of the proposal plans. However, the firms do not have a learning culture which affects their performance negatively.

#### **4.3.5 Information Technology Integration**

The respondents were further required to indicate extent aspects of information technology integration affect the performance of the insurance brokerage firms in Kenya.

**Table 4.9: Extent to which information technology integration affects performance**

	Frequency	Percent
Little extent	8	10
Moderate extent	12	15
Great extent	40	50
Very great extent	20	25
<b>Total</b>	<b>80</b>	<b>100</b>

Source: Research data (2016)

From the findings 50% of the respondents indicated that information technology integration affects performance of insurance brokerage to a great extent, 25% indicated a very great extent, and 15% noted moderate extent whereas 10% indicated little extent. This implies that information technology integration has a critical effect on the performance of insurance brokerage firms.

**Table 4.10: Aspects of Information Technology Integration**

	Mean	Std. Deviation
Development and approval of the proposal plans	3.64	0.914
Encouragement of employees	3.39	0.904
Participative and team-based leadership method	2.36	0.849
Incentives and organic remuneration systems	3.43	0.945
Budgetary allocation	3.72	0.877
Digitized processes	4.51	0.731

Source: Research data (2016)

As per the findings digitized processes affects insurance brokerage firms' performance to a very great extent with mean of 4.5062 and standard deviation of 0.73113. Business intelligence technology affects insurance brokerage firms' performance firms to a great

extent with mean of 3.7188 and standard deviation of 0.87719. The respondents also indicated with mean of 3.6437 and standard deviation of 0.91354 that formation of non-hierarchical business network affects insurance brokerage firms' performance to a great extent. Formal system in place to develop best practices affects insurance brokerage firms' performance in Kenya to a moderate extent with mean of 3.4250 and standard deviation of 0.94470. The respondents indicated with mean of 3.3875 and standard deviation of 0.90413 that customer and supplier information integration affects insurance brokerage firms' performance to a moderate extent. Accessible and continuously modified database affects insurance brokerage firms' performance to a little extent with mean of 2.3562 and standard deviation of 0.84932. This implies that insurance brokerage firms have digitized processes that significantly affects their performance. However, the insurance brokerage firms do not have accessible and continuously modified database to enhance their operations.

#### **4.3.6 Operational Processes Effectiveness and Performance**

Furthermore the sought to know extent aspects of operation processes effectiveness affect the insurance brokerage firm's performance.

**Table 4.11 Extent organization structure affects performance of insurance brokerage**

	<b>Frequency</b>	<b>Percent</b>
Little extent	12	15
Moderate extent	18	23
Great extent	35	44
Very great extent	15	19
<b>Total</b>	<b>80</b>	<b>100</b>

Source: Research data (2016)



From the findings 44% of the respondents indicated that operation process effectiveness affects performance of insurance brokerage to a great extent, 23% indicated moderate extent, 19% noted moderate extent whereas 15% indicated little extent. This implies that operation processes effectiveness has a significant effect on the performance of insurance brokerage firms.

**Table 4.12: Aspects of Operational Processes Effectiveness**

	<b>Mean</b>	<b>Std. Deviation</b>
Employee trust and autonomy in decision making	3.45	0.838
Commitment to quality (TQM)	4.79	0.850
Corporate governance	3.41	0.934
Service-oriented processes which react to the dynamics of operating environments	3.46	0.974
Transformed R&D process (crowd sourcing—creating a network of researchers outside the firm which contributes ideas for new products)	3.64	0.914
Supply chain coordination	3.74	0.914
Flexible and temporary alliance formation to obtain synergy resources	2.39	0.904
People management approaches	3.36	0.849

Source: Research data (2016)

From the findings commitment to quality(TQM) affects insurance brokerage firms' performance to a very great extent with mean of 4.7875 and standard deviation of 0.84962. Supply chain coordination affects insurance brokerage firms' performance firms to a great extent with mean of 3.7437 and standard deviation of 0.91354. The respondents also indicated with mean of 3.6437 and standard deviation of 0.91354 that transformed R&D

process affects insurance brokerage firms' performance to a great extent. Service oriented processes which reacts to the dynamics of operating environments affects insurance brokerage firms' performance in Kenya to a moderate extent with mean of 3.4625 and standard deviation of 0.97444. The respondents indicated with mean of 3.4500 and standard deviation of 0.83799 that employee trust and autonomy in decision making affects insurance brokerage firms' performance firms to a moderate extent. Corporate governance affects insurance brokerage firms' performance to a moderate extent with mean of 3.4125 and standard deviation of 0.93424. Furthermore it was indicated that people management approaches affects insurance brokerage firms' performance to a moderate extent with mean of 3.3562 and standard deviation of 0.84932. Flexibility and temporary alliance formation to obtain synergy resources was indicated with a mean of 2.3875 and standard deviation of 0.90413 that it affects insurance brokerage firms' performance to a little extent. This show there is more emphasis on the quality (TQM) and supply chain coordination among the insurance brokerage firms in Kenya which greatly affect their performance. However, the firms rarely consider forming flexible and temporary alliance formation to obtain synergy resources.

#### **4.3.7 Performance of Insurance Brokerage Firms**

The researcher sought to know the trends performance of insurance brokerage firms for the last 5 years adopting the various perspectives of the balanced score card. The findings are as per the table 4.13.

**Table 4.13: Performance of Insurance Brokerage Firms**

	<b>Mean</b>	<b>Std. Deviation</b>
Profitability	3.58	0.696
Growth	3.41	0.627
Stability	3.64	0.764
External customer Satisfaction	3.46	0.701
Internal customer Satisfaction	4.61	0.955
Market share/premiums	3.78	0.696
Environmental aspect	3.79	0.941
CSR	3.38	0.696
Research and development	3.61	0.827
Technological capacity	3.63	0.765
Business efficiency	2.46	0.701
Informatization	2.68	0.696
Organization competency	3.68	0.696
Human resource development	3.81	0.955

Source: Research data (2016)

As per the findings the internal customer satisfaction has greatly improved with mean of 4.6062 and standard deviation of 0.95494. Human resource development has improved with mean of 3.8062 and standard deviation of 0.95494 for last five years. Environmental aspect has improved with a mean of 3.7875 and standard deviation of 0.94094 for last five years. The study also indicates that market share/premiums have improved with mean of 3.7750 and standard deviation of 0.69635 in last five years. The findings also indicated with a mean of 3.6750 and standard deviation of 0.69635 that organization competency has improved over last five years. Stability has also improved with a mean of 3.6438 and standard deviation of

0.76353. Technological capacity has improved over last five years with a mean of 3.6338 and standard deviation of 0.76453. Furthermore research and development has improved for last five years with mean of 3.6125 and standard deviation of 0.82707. The respondents also indicated with a mean 3.5750 and standard deviation of 0.69635 that profitability has improved over the last five years. External satisfaction has also improved over the last five years with a mean of 3.4563 and standard deviation of 0.70082. In addition growth has also improved with a mean of 3.4125 and standard deviation of 0.62707. CSR has remain constant over last five years with a mean of 3.3750 and standard deviation of 0.69635. Respondents also indicated with a mean of 2.6750 and standard deviation of 0.69635 that informatization has remain constant for last five years. Lastly business efficiency has decreased with a mean of 4563 and standard deviation of 0.70082. This shows that the insurance brokerage firms have recorded an improvement in internal customer satisfaction, human resource development and also in their market share/premiums. However, their operational efficiency has been deteriorating.

#### 4.4 Regression Analysis

Further regression analysis was used to ascertain the relationship between the variables. The scores for the study variables were obtained by transforming and computing the variables using the SPSS whereby all the parameters representing each variable were collated to a single variable which was then used to run the regression analysis.

**Table 4.14: Model Summary**

<b>Model</b>	<b>R</b>	<b>Square of R</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	0.845	0.714	0.685	0.129

Source: Research data (2016)

The  $R^2$  was used to establish the predictive power of the study model and it was found to be 0.685 implying that 68.5% of strategic agility enablers and performance of insurance brokerage firms in Kenya is affected by the following variables; organization structure, discontinuous innovation, human capital, management commitment and support, information technology integration and operation process effectiveness leaving 31.5% unexplained. This agrees with Fritz (2007) who indicated that successful organizations focus on four enablers of strategic agility: people, principles, processes, and technologies. They create both long-term enduring excellence and at the same time enable short-term dynamic performance.

**Table 4.15: ANOVA results**

<b>Model</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	1.626	5	0.294	15.809	0.000
Residual	0.65	154	0.019		
Total	2.278	159			

Source: Research data (2016)

The significance value of 0.000 shows that the relationship between the variables was highly significant in determining how organization structure, discontinuous innovation, human capital, management commitment and support, information technology integration and operation process effectiveness affects performance of insurance brokerage firms in Kenya. The F calculated at 5 percent level of significance was 15.809. Since F calculated is larger than the F critical (with a value of value 2.4495), this implies that the general model was significant.

**Table 4. 16: Coefficients of Determination**

Model	Unstandardized		Standardized	T	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	1.684	0.399		0.826	0.041
Organization structure	0.581	0.276	0.508	2.105	0.043
Discontinuous innovation	0.643	0.308	0.632	2.581	0.014
Human capital	0.818	0.318	0.798	2.217	0.033
Management commitment and support	0.678	0.145	0.564	2.897	0.024
Information technology integration	0.765	0.221	0.732	2.339	0.025
Operation processes effectiveness	0.563	0.384	0.537	2.117	0.041

Source: Research data (2016)

The established model for the study was:

$$Y = 1.684 + 0.581 X_1 + 0.643 X_2 + 0.818 X_3 + 0.678 X_4 + 0.765 X_5 + 0.563 X_6$$

The regression equation above has established that taking all the agility enablers into account (organization structure, discontinuous innovation, human capital, management commitment and support, information technology integration and operation process effectiveness) constant at zero performance in insurance brokerage firms in Kenya is 1.684. Further, taking all other independent variables constant, a unit change in the organization structure would result in a 0.581 change in performance and a unit change in the scores of discontinuous innovation

would lead to a 0.643 change in the performance of insurance brokerage firms. In addition, a unit change in human capital would lead to a 0.818 change in performance in insurance firms. The study also found that a unit increase in the score of management commitment and support will lead to 0.678 increase in score of performance in insurance brokerage firms. The study also found that a unit increase in the scores of information technology integration would lead to 0.765 increases in the scores of performance in insurance brokerage firms. The study also noted that a unit increase in operation process effectiveness would lead to an increase in performance by 0.563. Overall, human capital had the greatest effect on the on the performance of insurance brokerage firms in Kenya; followed by information technology integration, and then management commitment and support, discontinuous innovation and organization structure in order of reducing effect while operation process effectiveness had the least effect on performance of insurance brokerage firms in Kenya. All the variables were significant ( $p < 0.05$ ).

#### **4.5 Discussion of Findings**

This section discusses the findings of the study and compare it to existing literature.

##### **4.5.1 Organization Structure**

The study revealed that formalization affects insurance brokerage firms' performance to a very great extent. Number of hierarchical levels affects insurance brokerage firms' performance firms to a great extent. The findings are also summarised that Centralization affects insurance brokerage firms' performance to a great extent. Coordination between departments affects insurance brokerage firms' performance in Kenya to a great extent. Organisation structure affects insurance brokerage firms' performance firms to a great extent. Functional coordination affects insurance brokerage firms' performance to a moderate extent. Furthermore hierarchical arrangement of lines of authority affects insurance brokerage firms' performance to a moderate extent.

The study also deduced that business units affect insurance brokerage firms' performance to a little extent. The results are in line with Doz and Kosonen (2008) study which states that the formation of a firm restricts its quickness in most enterprises and corporations. An original policy needs often main reorganization and lead to much for the firm. Still then the change can stay useless because the familiar parts of the firm have not been incorporated when applying the change. This however contradicts Dess (2011) who indicated that SCC is a source of vibrant capabilities vital for an institution to get and release resources necessary for agility.

#### **4.5.2 Discontinuous Innovation**

The summary of the findings shows that experimentation with new ideas affects insurance brokerage firms' performance to a very great extent. Pursuit of new strategies affects insurance brokerage firms' performance firms to a great extent. The study also deduced that exploration of new knowledge affects insurance brokerage firms' performance to a great extent. Exploration of new paradigms affects insurance brokerage firms' performance in Kenya to a moderate extent. The study revealed that new business model affects insurance brokerage firms' performance firms to a moderate extent. Product development affects insurance brokerage firms' performance to a little extent. The study agrees with the study of Leifer *et al* (2013) who said that adopting far-reaching innovation has contradictory results. Several scholars remarked that fundamental innovations offer the drive for long-term progress. Many minute organizations also thrived in bringing to the fore more fundamental innovations for their inherent makeup (Stringer, 2009).

#### **4.5.3 Human Capital**

As per the findings skills and attitude affects insurance brokerage firms' performance to a very great extent. Staff experience affects insurance brokerage firms' performance firms to a great extent. The study revealed that employee competence affects insurance brokerage



firms' performance to a great extent. Cooperation with suppliers as well as customers affects insurance brokerage firms' performance in Kenya to a great extent. Furthermore; employee behaviour affects insurance brokerage firms' performance firms to a moderate extent. Team work affects insurance brokerage firms' performance to a little extent. The findings are contradicts Buhner, Konig, Pick and Krumm (2010) findings that aggressive human resources should to comprise of compensation systems, teamwork, incentives and teaching.

#### **4.5.4 Management Commitment and Support**

This finding shows that management commitment and support affects insurance brokerage firms' performance to a great extent. From the findings Top management team ability to make brave choices fast was found to affects insurance brokerage firms' performance to a very great extent. Development and approval of the proposal plans affects insurance brokerage firms' performance firms to a great extent. The study also found that incentives and organic remuneration systemsaffects insurance brokerage firms' performance to a great extent. Encouragement of employeesaffects insurance brokerage firms' performance in Kenya to a great extent. Furthermore, study established that budgetary allocation affects insurance brokerage firms' performance firms to a moderate extent. Communication strategy (Open door policy)affects insurance brokerage firms' performance to a moderate extent. The study also found that organizational learning culture affects insurance brokerage firms' performance to a moderate extent. Finally, Participative and team-based leadership method was found to affects insurance brokerage firms' performance to a moderate extent. The finding, are in agreement with Doz and Kosonen (2008) who noted that firms' require for formation quickness is the greatest when dealing with big and quick showing changes which are not linked to one another. The firm is most probably to require different lever of management to facilitate strategic quickness. Organizational, cognitive, political and emotional levers affect the companies in various ways and can be used according to the

matter which is reflected on most. Organizational learning is another strategic agility enabling factor. This contradicts with Buhner, Konig, Pick and Krumm (2010) who indicated that what is needed, therefore, is a culture conducive to learning collaborative forms of work and knowledge management.

#### **4.5.5 Information Technology Integration**

The study revealed that digitized processes affects insurance brokerage firms' performance to a very great extent. Business intelligence technology affects insurance brokerage firms' performance firms to a great extent. The study also deduced that formation of non-hierarchical business network affects insurance brokerage firms' performance to a great extent. Formal system in place to develop best practices affects insurance brokerage firms' performance in Kenya to a moderate extent. The results of the findings show that customer and supplier information integration affects insurance brokerage firms' performance firms to a moderate extent. Accessible and continuously modified database also affects insurance brokerage firms' performance to a little extent. The findings of the study are as per study of Andersen (2011) who states that organizations executing an informational technology-enabled plan are capable of gaining a competitive edge.

#### **4.5.6 Operational Processes Effectiveness**

From the findings commitment to quality (TQM) affects insurance brokerage firms' performance to a very great extent. Supply chain coordination affects insurance brokerage firms' performance firms to a great extent. The results indicate that transformed R&D process affects insurance brokerage firms' performance to a great extent. A service oriented process which reacts to the dynamics of operating environments affects insurance brokerage firms' performance in Kenya to a moderate extent. The study also deduced that employee trust and autonomy in decision making affects insurance brokerage firms' performance firms to a moderate extent. Corporate governance affects insurance brokerage firms' performance to a

moderate extent. Furthermore the result shows that people management approaches affects insurance brokerage firms' performance to a moderate extent. The study summarises that flexibility and temporary alliance formation to obtain synergy resources affects insurance brokerage firms' performance to a little extent. The findings agrees with Dess (2011) Given the understanding that it is not only what organizations do but also how they do it that provides competitive advantage, processes become central in enabling strategic agility.

#### **4.5.7 Performance of Insurance Brokerage Firms**

The results show that internal customer satisfaction has greatly improved. Human resource development has also improved for last five years. It was also clear that environmental aspect, market share/premiums, organization competency, stability of the firm, technological capacity, research and development, profitability and external satisfaction have improved over the last five years. The results also show that CSR has remain constant over last five years. Informatization has remained constant for last five years. Lastly business efficiency has decreased in the last five years in insurance brokerage firms in Kenya. The findings concur with McCann, Selsky and Lee (2009) who indicated that agility enablers promote organizational performance. For achieving desired performance outcome, an enterprise should be able to measure and identify factors which are the key for becoming flexible in that particular field of business.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter gives the summary of findings, the conclusions and recommendations based on the objective of the study. The objectives of this study were to determine the strategic agility enablers among insurance brokerage firms in Kenya and to establish the effect of strategic agility enablers on performance of insurance brokerage firms in Kenya.

#### 5.2 Summary of Findings

The findings show that formalization affects insurance brokerage firms' performance to a very great extent. Number of hierarchical levels affects insurance brokerage firms' performance firms to a great extent. The findings are also summarised that Centralization affects insurance brokerage firms' performance to a great extent. Coordination between departments affects insurance brokerage firms' performance in Kenya to a great extent. Organisation structure affects insurance brokerage firms' performance firms to a great extent. Functional coordination affects insurance brokerage firms' performance to a moderate extent. Furthermore hierarchical arrangement of lines of authority affects insurance brokerage firms' performance to a moderate extent. Also the study deduced that business units affect insurance brokerage firms' performance to a little extent.

The findings shows that experimentation with new ideas affects insurance brokerage firms' performance to a very great extent. Pursuit of new strategies affects insurance brokerage firms' performance firms to a great extent. The findings also deduce that exploration of new knowledge affects insurance brokerage firms' performance to a great extent. Exploration of new paradigms affects insurance brokerage firms' performance in Kenya to a moderate extent. The findings indicated that new business model affects insurance brokerage firms'

performance firms to a moderate extent. Product development affects insurance brokerage firms' performance to a little extent.

As per the findings skills and attitude affects insurance brokerage firms' performance to a very great extent. Staff experience affects insurance brokerage firms' performance firms to a great extent. The findings show that employee competence affects insurance brokerage firms' performance to a great extent. Cooperation with suppliers as well as customers affects insurance brokerage firms' performance in Kenya to a great extent. Furthermore; employee behaviour affects insurance brokerage firms' performance firms to a moderate extent. Team work affects insurance brokerage firms' performance to a little extent.

This finding shows that management commitment and support affects insurance brokerage firms' performance to a great extent. From the findings Top management team ability to make brave choices fast was found to affects insurance brokerage firms' performance to a very great extent. Development and approval of the proposal plans affects insurance brokerage firms' performance firms to a great extent. The study also found that incentives and organic remuneration systemsaffects insurance brokerage firms' performance to a great extent. Encouragement of employees affects insurance brokerage firms' performance in Kenya to a great extent. Furthermore, study established that budgetary allocation affects insurance brokerage firms' performance firms to a moderate extent. Communication strategy (Open door policy) affects insurance brokerage firms' performance to a moderate extent. The study also found that organizational learning culture affects insurance brokerage firms' performance to a moderate extent. Finally, Participative and team-based leadership method was found to affects insurance brokerage firms' performance to a moderate extent.

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performance firms to a great extent. The study also deduced that formation of non-hierarchical business network affects insurance brokerage firms' performance to a great extent. Formal system in place to develop best practices affects insurance brokerage firms' performance in Kenya to a moderate extent. The results of the findings show that customer and supplier information integration affects insurance brokerage firms' performance firms to a moderate extent. Accessible and continuously modified database also affects insurance brokerage firms' performance to a little extent.

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The results show that internal customer satisfaction has greatly improved. Human resource development has also improved for last five years. Environmental aspect as per the results of the findings has also improved for last five years. The research indicates that market share/premiums have improved in last five years. Furthermore; organization competency has improved over last five years. Stability of the firm has improved according to the results of the findings. In additions; technological capacity has improved over last five years.

Furthermore research and development has improved for last five years. The results indicate that profitability of the insurance brokerage has improved over the last five years. External satisfaction has also improved over the last five years as per the results of the findings. Growth of the insurance brokerage firms has improved. CSR has remain constant over last five years. Informatization has remained constant for last five years. Lastly business efficiency has decreased in the last five years in insurance brokerage firms in Kenya.

### **5.3 Conclusions**

The study concludes that organisation structure affects insurance brokerage firms' performance firms in Kenya mainly through organizational flexibility, functional coordination, and hierarchical arrangement of lines of authority. The study also concludes that discontinuous innovations such as experimentation with new ideas and exploration of new paradigms affect performance of insurance brokerage firms in Kenya.

The study further concludes that staff skills, attitudes, experience and competence are very significant in the performance of insurance brokerage firms. However, there is no teamwork among employees in the insurance brokerage firms. This also concludes that management commitment and support has a significant effect on the affects insurance brokerage firms' performance firms through their ability to make bold decisions fast and the development and approval of the proposal plans. However, the firms do not have a learning culture which affects their performance negatively.

The research also concludes that information technology integration has affects insurance brokerage firms' performance firms in Kenya through formation of non-hierarchical business network, customer and supplier information integration, accessible and continuously modified databases. Finally the study concludes that there is more emphasis on the quality (TQM) and supply chain coordination among the insurance brokerage firms in Kenya which

greatly affect their performance. However, the firms rarely consider forming flexible and temporary alliance formation to obtain synergy resources.

#### **5.4 Recommendations**

The study recommends that the management of insurance brokerage firms should put in place cost-effective measures for timely risk identification and effective risk mitigation so as to ensure that their financial performance is not impacted negatively. The study also recommends that the management of insurance brokerage firms should continuously assess their risk management practices to see if they are still practical in the face of a continuously changing operating environment, for instance the new regulatory pressures of solvency and Basel regulatory regimes.

Academic qualifications and work experience should be considered during selection. Insurance brokerage firms should also reward length of service as a retention strategy aimed at building work experience. Intensive training programs aimed at imparting job related skills should be designed after proper needs assessment has been done. Such training programs should also be offered regularly. Organizing as many relevant short courses as possible with an aim of imparting job-specific skills would enhance the human capital base.

The management of insurance brokerage firms should be in the four fronts in enhancing the level of usage with all activities being technologically integrated. The insurance brokerage firms should adopt IT in their service delivery like invoice generation, communication, feedback and inquiry as this will reduce the number of employed customer attendance hence profitability to the company.

#### **5.5 Recommendations for Policy and Practice**

The management should leverage information technology in risk management by installing information systems that can carry out risk assessment & measurement more accurately and



for monitoring their risk management programs for effectiveness. This should further be complimented by training of employees on risk management policies of the firm, with clearly defined roles and responsibilities for risk management.

The study additionally recommends that insurance brokerage firms should develop vigorous IT-enabled modernization strategies to help come up with persuasive new customer experiences, services, products and business models. In addition, and with regards to compensation, innovative companies were suggested to give top Research & Development executive's salaries that are competitive within the industry since it encourages them to accept the high risks associated with innovative environments.

The research results showed that human capital significantly influences firm performance. The implication of this to the practice is that building a firm's human capital is an effective strategy for improving insurance brokerage firms performance. Insurance brokerage firms should strive at increasing their human capital because high human capital can generate superior organizational outcomes. The human resource professionals can help their respective organizations in achieving this by embracing rigorous selection procedures and matching the right people with the right jobs.

The study further recommends that insurance brokerage firms should enhance the quality of strategic decisions by obtaining as much information as possible through their social networks. The quality of strategic decisions depends on the amount of human capital possessed by the social networks whose input organizations heavily rely on.

On operations process effectiveness, the study recommend that insurance brokerage firms should integrate their departments, their payment system and suppliers to make it easy for dispensation of documents which results in effectiveness hence better performance. The study

recommends that advanced training methods should be implemented to improve the working pattern of the employees which perpetually affects the efficiency of the companies.

### **5.6 Limitation of the Study**

Due to confidentiality, the researcher encountered unwillingness by participants to reveal information which was classified as confidential. This was overcome by carrying an introduction letter from the university showing it is an academic work and assuring the respondents of confidentiality since they were not required to write their names in the questionnaire. The researcher also encountered a challenge in securing the employees precious time considering their busy working schedules.

The researcher was forced to make prior plans with representatives to avail themselves for the study off-time hours and in addition encouraging the workers on the estimation of the study. The researcher additionally needed to practice most extreme persistence and mind and in perspective of this the scientist needed to bend over backward conceivable in order to procure adequate information from the participants.

This study concentrated on just 97 insurance brokers. The study would have provided a more broad based analysis but this would have required more resources time being a key factor as well.

### **5.7 Suggestion for Further studies**

This study did not include all the firms in the insurance industry so a further study is recommended to include other firms such as the insurance companies and agents. The study recommends another study should be done to investigate strategic agility enablers and performance of other organizations on different industries rather than the insurance brokers. Examples of such industries like hospitality and banking industries would be ideal.

Since there is a 31.5% 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. Future studies should also consider employing secondary sources of data to collect data for their studies. This would be time saving and would also facilitate detailed information collected from original sources which would as well give reliable and accurate results that explain the details of the subject.

Studies would also be undertaken on areas of the determinants of the insurance brokerage firms' growth as well as the factors affecting its efficiency in service delivery and operations. Also future researchers should consider evaluating the relationship between different agility enablers and the operational efficiency of the insurance brokerage firms in Kenya.

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## APPENDICES

### Appendix I: Research Questionnaire

This questionnaire is to collect data for purely academic purposes. 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) How long have your company been in operation?

Less than 2 yrs            2-4 yrs        
 5-8 yrs            8-10 yrs            More than 10 yrs     

2) How many employees are there in your company?

1-5  6-10  11-15  16-20  More than 20

#### SECTION B: STRATEGIC AGILITY ENABLERS ON PERFORMANCE

##### Organizational Structure and Policies

1) What is the type of organizational structure in your company?

Staff or functional authority      [ ]      Line      [ ]      Divisional [ ]  
 Line and staff      [ ]      Project [ ]      Matrix [ ]      Hybrid      [ ]

2) To what extent does the organizational structure as an enabler of strategic agility and policies affect performance at your organization?

Very great extent [ ]      Great extent      [ ]  
 Moderate extent [ ]      Little extent      [ ]      Not at all      [ ]

3) To what extent do the following enablers of strategic agility related to organizational structure affect performance in your organization?

	Very great extent (5)	Great extent (4)	Moderate extent(3)	Little extent (2)	Not at all (1)
Organizational flexibility					
Functional coordination					
Business units					
Hierarchical arrangement of lines of authority					
Number of hierarchical levels					
Coordination between departments					



Formalization					
Centralization					

**Discontinuous Innovation**

4) What are some of the innovations adopted by your company for the last five years in its endeavour to continuously and adequately adjust and adapt in appropriate time in relation to changing circumstances

.....

.....

5) Please indicate the extent that the following enablers of strategic agility related to innovativeness affect the performance of your company in the event that it wants to change tactics?

	Very great extent (5)	Great extent (4)	Moderate extent (3)	Little extent (2)	Not at all (1)
Experimentation with new ideas					
Exploration of new paradigms					
Pursuit of new strategies					
Exploration of new knowledge					
Product development					
New business models					

6) In your opinion, what other innovative strategies should brokerage companies adopt to improve on their performance in the face of powerful customers with diverse requirements?

.....

.....

**Human Capital**

7) To what extent do the human resource personnel as an enabler of strategic agility affect the performance at your organization and its ability to transform and renew the organization without losing momentum?

- Very great extent                    [    ]    Great extent                    [    ]
- Moderate extent                    [    ]    Little extent                    [    ]
- Not at all                                    [    ]

8) To what extent do the following enablers of strategic agility related to human capital affect performance in your organization?

	Very great extent (5)	Great extent (4)	Moderate extent (3)	Little extent (2)	Not at all (1)
Employee Competences					
Employees Behaviors					
Staff Experience					
Skills and attitude					
Teamwork					
Cooperation with suppliers as well as customers					

### Management Commitment and Support

9) To what extent do the management commitment and support as an enabler of strategic agility affect the performance at your organization?

Very great extent [ ] Great extent [ ]  
 Moderate extent [ ] Little extent [ ] Not at all [ ]

10) To what extent do the following enablers of strategic agility related to management commitment affect performance in your organization?

	Very great extent (5)	Great extent (4)	Moderate extent (3)	Little extent (2)	Not at all (1)
Development and approval of the proposal plans					
Encouragement of employees					
Participative and team-based leadership method					
Budgetary allocation					
Organizational Learning culture					
Incentives and organic remuneration systems					
Communication strategy (Open door					

policy)					
Ability of the top team to make bold decisions fast					

### Information Technology Integration and Advancement

11) To what extent do the information technology integration and advancement as an enabler of strategic agility affect the performance at your organization?

Very great extent [ ]                      Great extent [ ]  
Moderate extent [ ]                      Little extent [ ] Not at all [ ]

1) To what extent do the following enablers of strategic agility affect performance in your organization?

	Very great extent (5)	Great extent (4)	Moderate extent (3)	Little extent (2)	Not at all (1)
Formation of non-hierarchical business network					
Customer and supplier information integration					
Accessible and continuously modified databases					
Formal systems in place to develop best practices					
Digitized processes					
Business intelligence technology					

### Operational Processes Effectiveness

12) To what extent does the operational processes effectiveness as an enabler of strategic agility affect the performance at your organization?

Very great extent [ ]  
Great extent [ ]  
Moderate extent [ ]  
Little extent [ ]  
Not at all [ ]

13) To what extent do the following enablers of strategic agility affect performance in your organization?

	Very great extent (5)	Great extent (4)	Moderate extent (3)	Little extent (2)	Not at all (1)
Employee trust and autonomy in decision making					
Commitment to quality (TQM)					
Corporate governance					
Service-oriented processes which react to the dynamics of operating environments					
Transformed R&D process (crowdsourcing—creating a network of researchers outside the firm which contributes ideas for new products)					
Supply chain coordination					
Flexible and temporary alliance formation to obtain synergy resources					
People management approaches					

**PERFORMANCE**

14) What has been the trend of the following aspects of performance in your company for the last five years?

		Greatly Improved (5)	Improved (4)	Constant (3)	Decreasing (2)	Greatly decreased (1)
Financial	Profitability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Growth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer	External customer Satisfaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Internal customer Satisfaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Market share/premiums	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Environmental aspect	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	CSR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal business process	Research and development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Technological capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Business efficiency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Learning and growth	Human resource development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Organization competency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Informatization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**END OF QUESTIONNAIRE**

*Thank you for taking your time to fill it.*

## Appendix II: List of Insurance Brokers in Kenya

1. AA Insurance Brokers Limited
2. Aboo Insurance Brokers Ltd.
3. Acentria Insurance Brokers Company Limited
4. Acropolis Insurance Brokers Limited
5. Africa Gate Reinsurance Brokers Limited
6. African Continent Insurance Brokers Limited
7. Afriq Insurance Brokers Limited
8. Al- Amin Insurance Brokers Limited 9. Alexander Forbes Risk & Insurance Brokers Ltd.
9. Al-Fawzein Insurance Brokers Limited
10. Allied Assurance Brokers Limited
11. Allion Insurance Brokers Limited
12. Alpine Insurance Brokers Limited
13. Amana Insurance Brokers
14. Amro Insurance Brokers Limited
15. AMS Insurance Brokers Limited
16. Andalus Insurance Brokers Ltd
17. AON Kenya Insurance Brokers Limited Apis Insurance Brokers Limited
18. A-Plan Insurance Brokers Limited
19. Aris Insurance Brokers Limited
20. Aristocrats Insurance Brokers Limited
21. Aspen Insurance Brokers Limited
22. Associated Insurance Brokers Limited
23. Assured Insurance Brokers Ltd
24. Avocet Insurance Brokers Limited
25. Bafana Insurance Brokers Limited
26. Bahari Insurance Brokers Ltd
27. Bapa Insurance Brokers Limited
28. Batlex Insurance Brokers Limited
29. Baylor Insurance Brokers Ltd
30. Berkshire And Hathaway Insurance Brokers Limited
31. Bilmax Insurance Brokers Limited
32. Blossom Insurance Brokers Limited
33. Boma Insurance Brokers Limited
34. Bottomry Insurance Brokers Limited
35. Broadcover Insurance Brokers Ltd
36. BTB Insurance Brokers Limited
37. BTB Insurance Brokers Limited (Re-Insurance)
38. Busam Insurance Brokers Limited
39. Canopy Insurance Brokers Limited
40. Centaur Insurance Brokers Limited
41. Chancery Wright Insurance Brokers Limited
42. Channel Insurance Brokers Limited
43. Chartwell Insurance Brokers Limited
44. Chester Insurance Brokers Limited
45. Clarkson Insurance Brokers Limited
46. Complete Solutions Insurance Brokers Ltd

47. Consolidated Insurance Brokers Limited
48. Crawford Insurance Brokers Limited
49. Crownscope Insurance Brokers Limited
50. D & G Insurance Brokers Limited
51. Disney Insurance Brokers Limited
52. Dynamique Insurance Brokers Limited
53. ECB Insurance Brokers Limited
54. Eden Rock Insurance Brokers Limited
55. Fairsure Insurance Brokers Limited
56. Fast Fit Insurance Brokers Limited
57. FCB Takaful (Insurance) Brokers Limited
58. Finsure Insurance Brokers Limited
59. First American Insurance Brokers Ltd
60. First Reinsurance Brokers Limited
61. Font Insurance Brokers Limited
62. Formax Insurance Brokers Limited
63. Fortress Insurance Brokers Limited
64. Fortune Insurance Brokers Ltd
65. Four M Insurance Brokers Limited
66. Four Stars Insurance Brokers Limited
67. Fredblack Insurance Brokers Limited
68. Gachichio Insurance Brokers Ltd
69. Genesis International Insurance Brokers Limited
70. Getrio Insurance Brokers Limited
71. Goldfield Insurance Brokers Limited
72. Gras Savoye Kenya Insurance Brokers Limited
73. Great Five Insurance Brokers Limited
74. Grm Insurance Brokers Limited
75. H. G. Thanawalla Insurance Brokers Limited
76. H. S. Jutley Insurance Brokers Limited
77. Habari Insurance Brokers Limited
78. Harbinger Insurance Brokers Limited
79. Harmony Insurance Brokers Limited
80. Hema Insurance Brokers Limited
81. Hillstone Insurance Brokers Limited
82. Homeland Insurance Brokers Limited
83. Hp Insurance Brokers Limited
84. Ibkl Insurance Brokers Limited
85. ICK Insurance Brokers Limited
86. Image Insurance Brokers Limited
87. Imperial Insurance Brokers
88. INSCO Insurance Brokers Limited
89. Insol (E.A) Insurance Brokers Ltd
90. Interbroke Insurance Brokers Limited Intime Insurance Brokers
91. J W Seagon Insurance Brokers (K) Limited
92. Jani Insurance Brokers Limited
93. Johncele Insurance Brokers Limited
94. Karen Direct Insurance Brokers
95. Karen Insurance Brokers Limited
96. Kava Insurance Brokers Limited

97. Kelon Insurance Brokers Limited
98. KenbrightNbc Insurance Brokers Limited
99. Kenfident Insurance Brokers Limited
100. LalitSodha Insurance Brokers Limited
101. Laser Insurance Brokers Ltd
102. Lema Insurance Brokers Limited
103. Levites International Reinsurance Brokers Limited
104. Liaison Group (Insurance Brokers) Limited
105. Liberty Insurance Brokers Co. Ltd
106. Lifecare International Insurance Brokers Limited
107. Losagi Insurance Brokers Limited
108. M. A. Khan Insurance Brokers Limited
109. Macly Insurance Brokers Limited
110. Magen Insurance Brokers
111. Maj Insurance Brokers Limited
112. Majani Insurance Brokers Limited
113. Masilahi Insurance Brokers Limited
114. Methodist Insurance Brokers Limited
115. MIC Global Risks Insurance Brokers Limited
116. Microensure Insurance Brokers Limited
117. Mik Insurance Brokers Limited
118. Millenium Insurance Brokers Limited
119. Mima Insurance Brokers Limited
120. Minlet Insurance Brokers Limited
121. Miran Insurance Brokers Limited
122. Mombasa Insurance Brokers Limited
123. Nanyuki Insurance Brokers Limited
124. Nelion Insurance Brokers Limited
125. Nexus Insurance Brokers Limited
126. Nile Capital Insurance Brokers Ltd
127. Nomura Insurance Brokers Limited
128. Northridge Insurance Brokers Limited
129. Nyadwe Insurance Brokers Ltd
130. Octagon Insurance Brokers Limited
131. Online Insurance Brokers Limited
132. Options Insurance Brokers Limited
133. Pacific Insurance Brokers (Ea) Limited
134. Package Insurance Brokers Limited
135. Paladin Insurance Brokers Limited
136. Palsha Insurance Brokers Limited
137. Pasan Insurance Brokers Limited
138. Peace Of Mind Insurance Brokers Limited
139. Pelican Insurance Brokers (K) Limited
140. Pistis Insurance Brokers Limited
141. Plan & Place Insurance Brokers Limited
142. Platinum Insurance Brokers Limited
143. Platinum Micro Insurance Brokers Limited
144. Porim Insurance Brokers Limited
145. Prime Mover Insurance Brokers Limited
146. Primeken Insurance Brokers Limited



147. Real Alliance Insurance Brokers Ltd
148. Reval Insurance Brokers Limited
149. Richlands Insurance Brokers Limited
150. Risk Care Insurance Brokers Limited
151. Risk Shield Insurance Brokers Limited
152. Risk Solutions Insurance Brokers Limited
153. Roberts Insurance Brokers Limited
154. Royal Associates Insurance Brokers Ltd
155. Royal Shield Of East Africa Insurance Brokers Ltd
156. Safe N Sound Insurance Brokers Limited
157. Safenet Insurance Brokers Limited
158. Sakaka Insurance Brokers Limited
159. Sapon Insurance Brokers Limited
160. Scanner Insurance Brokers Limited
161. Sedgwick Kenya Insurance Brokers Limited
162. Shashi Insurance Brokers Limited
163. Shiloh Insurance Brokers Limited
164. Shiv Insurance Brokers Limited
165. Shree Insurance Brokers Limited
166. Skylark Africa Insurance Brokers Limited
167. Smartguard Insurance Brokers Limited
168. Snowcaps Insurance Brokers Limited
169. Sobhag Insurance Brokers Limited
170. Soin Insurance Brokers Limited
171. Southern Sahara Insurance Brokers Limited
172. Stegrap Insurance Brokers Limited
173. Sunland Insurance Brokers Limited
174. Superlink Insurance Brokers Limited
175. Swinton Insurance Brokers (K) Limited
176. Teevee Insurance Brokers Limited
177. Transnep Insurance Brokers Limited
178. Trisons Insurance Brokers Limited
179. Trustmark Insurance Brokers Limited
180. Unicorn Insurance Brokers Limited
181. Unicorn Insurance Brokers
182. Unipolar Insurance Brokers Limited
183. Universal Insurance Brokers Limited
184. Utmost Insurance Brokers Limited
185. Vefis Insurance Brokers (K) Limited
186. Victoria Insurance Brokers Limited
187. Vike Insurance Brokers Limited
188. Walawi Insurance Brokers
189. Waumini Insurance Brokers Limited
190. Wilsmart Insurance Brokers Limited
191. Youjays Insurance Brokers Limited
192. Zebra Tracks Insurance Brokers Limited
193. Zulmac Insurance Brokers Limited

**Source: Insurance Regulatory Authority (IRA, 2016).**