

**ORGANIZATIONAL LEARNING STRATEGIES AND
PERFORMANCE OF INSURANCE COMPANIES IN KENYA**

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DECLARATION

I the undersigned declare that this is my original work and has not been submitted for any academic award in any institution.

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Supervisor's approval

This research project has been submitted with my approval as the university supervisor.

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DEDICATION

I dedicate this work to my family especially my wife Hannah, my daughters Ivanna and Amariah for their patience, encouragement and for their endless support throughout my academic journey.

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ABBREVIATIONS AND ACRONYMS

AKI	-	Association of Kenya Insurance
BOP	-	Bottom of the Pyramid
BSC	-	Balance Score Card
CBK	-	Central Bank of Kenya
CMA	-	Capital Market Authority
FSS	-	Financial Sector Stability
GDP	-	Gross Domestic Product
IIK	-	Insurance Institute of Kenya
IRA	-	Insurance Regulatory Authority
RBA	-	Retirement Benefits Authority
ROA	-	Return on Assets
ROI	-	Return on Investment

ABSTRACT

The objective of this study was to establish the relationship between organizational learning strategies and performance of insurance companies in Kenya. The population of the study was the 49 registered firms which provided the research data. Questionnaire was used as the instrument of data collection. Primary data was collected from the insurance companies managing directors who served as the respondents. Descriptive and inferential statistics were used to analyse the data. Statistical Package for Social Sciences (SPSS) software was used for data analysis. The findings revealed that insurance companies used learning strategies of; strategic alliances, team learning, leadership, technological learning and individual learning. Balance score card (BSC) formed the basis of performance measurement. BSC had categories of non-financial and financial performance measures which were analyzed together. Multiple regression was used to establish relationship between organizational learning strategies and performance. The influence was found to differ between different learning strategies with some having positive influence on the performance and other negative influence. Technological and team learning strategies were found to have a positive relationship with performance. Use of technology in the insurance companies to share skills and knowledge, for data and customers' information storage and for prompt dissemination of information brings about efficiency and effectiveness in operation and hence the positive influence to the company performance. Team learning contribute much to the creativity and innovation, this has a direct effect on the customers satisfaction and prompt release of new product to the market and products agility. This explains the reason for the positive influence to the performance. Strategic alliance, leadership and individual learning strategies were found to have a negative relationship. Many insurance companies have strategic alliance with other financial institutions like banks and insurance brokers, however, most of them focus on the benefit of enhancing profitability instead of tapping in the necessary knowledge from these partners. In some organizations, leadership as learning strategies is not well put in place as many lack the mechanism to continuously communicate the vision and mission and aligning it to the leaning of the organization. Individual learning on the other hand is not well institutionalized in many company. These explain the reasons for the negative influence to the company performance. The study concluded that insurance companies need to strategically select learning strategies which impact on the whole organisation and influence performance.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The need to cope with momentum of environment changes occasioned by dynamism in environmental elements of technology, customer sophistication, employee expectations and shortening of product lifecycles makes learning by organization strategic. Namada (2017) posits that organizational learning unlocks potential of an organization by increasing internal dynamic capabilities of knowledge creation, acquisition, transmission and retention thereby gaining competitive advantage. Knowledge acquired through organizational learning enhances innovation of new products and methods, improves on operational efficiency and delivery of quality service to customers leading to enhanced organizational performance (Azizi, 2017). Despite the generally accepted prism on the relationship between organizational learning and performance, the strategies adopted in the learning process are contextual to organizations and industry.

The study was anchored on theoretical frameworks in learning loop theory of Argyris and Schon (1996) and 4i framework of Verra and Crossan (2004). Learning loop theory segregates single loop and double loop methodologies of learning. Single loop method is instruction oriented, one directional based and leads to maintaining of status quo. Double loop is dual direction based allowing feedback, critical thinking and innovation. 4i framework aligns knowledge to strategy and structure of an organization. The framework perceives learning in organizations to be a multilevel process anchored to psychological processes of intuition, interpretation and integration (Namada, 2017).

Insurance companies in Kenya are part of the wider businesses in the insurance industry. The companies provide insurance services in life and non-life insurance businesses. Association of Kenya Insurance (2016) enlists 49 registered insurance companies. The nature of insurance service is customer specific requiring insurance companies to be creative, innovative and dynamic in meeting the needs of customers in specific market segments, hence the need for organisational learning through appropriate learning strategies.

1.1.1 Organizational Learning Concept

Hanvanich (2006) describes organizational learning as a dynamic process of creation, acquisition and integration of knowledge aimed at development of resources and capabilities that contribute to better organizational performance. Organizational learning encompasses the whole process of knowledge management but takes a step further by ensuing institutionalization of knowledge and transforming the knowledge into new innovations in goods and services.

Organization learning leads to improvement of outcomes arising out of strategic renewal (Namada, 2017). Renewed strategy arises from the acquired knowledge and ability to offer solutions to existing problems, experiment with new approaches, learn from others and dissemination of knowledge. Zollo et al. (2005) differentiates organizational learning from learning organization by using dimensions of process and outcomes. While organizational learning is a broad process of knowledge management to enhance organizational capacity, learning organization focuses on improvement of different activities to produce positively modified outcomes or behaviour (Senge, 1996). Learning organizations have loose structure which enables team working and networking for purpose of rapid knowledge transfer, creativity and innovation.

Organisational learning concept integrates both organisation learning and learning organisation through knowledge institutionalization. Knowledge institutionalisation is achieved through dissemination, sharing and embedding of knowledge in the organizational systems. Organisational learning is a strategic process that requires alignment to organizational objectives and development of appropriate learning strategies. Organisational learning strategies that organisations can utilize includes; strategic alliances, team learning, leadership, technology and individual learning.

1.1.2 Organizational Performance

Organizational performance depicts the efficiency and effectiveness of an organization in transforming the resources at its disposal to quality goods and service. Performance of an organization is an indication of prudence in application of knowledge and resources to processes, activities and operations of an organization. Outcomes of performance are predetermined in the targets and objectives which serve as benchmarks (Namada, 2017). High performing organisations generate firm based and society based benefits in the form of quality goods and services, profitability, motivated and energized employees, increase in shareholders wealth and corporate social responsibility (Mdrid et al., 2007). Schreder (2015) posits that organizational performance is an illustration of how well an organization has implemented its strategy and how effective the knowledge gained from organizational learning process is of value to activities and operational process.

Organizational performance is always subjected to evaluation against the objectives or benchmarks to ascertain the attainment of the intended out comes. Performance evaluation for the organization is based on financial and non-financial criteria. Lohman et al.(2005) highlights the financial performance criteria to include total revenue, Cost reduction percentage, Profit rate percentage, Return on Investment (ROI), Return on Assets (ROA) and market share growth. Kaplan and Norton (1992) balanced score card provides a more realistic approach in performance measurement by incorporating non-financial measures of performance in addition to the financial perspectives.

The non-financial measure in balanced score card includes perspectives of customer, internal business process plus learning and growth. Customer perspective elements include customer satisfaction rate, cross selling, customer retention rate and new customer acquisition rate. Internal business perspective has elements of number of new products, service error rate, mean time response to a service call and customer complaints. Learning and growth perspective evaluates implementation rate for strategic plans, investment rate in information technology and mean time to reskilling per employee. Namada (2017) posits that performance evaluation enable managers to control, budget, motivate and focus on different aspects of an organization.

1.1.3 Insurance Industry in Kenya

Insurance Industry in Kenya is regulated by Insurance Act Cap 487, Laws of Kenya. The Act creates the office of the commissioner of Insurance which acts as a liaison between the government and the insurance sector. The framework of insurance firms operation is provided by Insurance Regulatory Authority (IRA) which derives mandate from Insurance Act Cap 487. The players in the insurance industry are classified as insurance companies, reinsurance companies, brokers for insurance and re-insurance, medical insurance, insurance investigators, motor assessors, insurance agents, insurance surveyors, loss adjusters, claims settlement agents and risk managers (IRA, 2016). This study focuses on insurance companies in Kenya. (See Appendix II)

The insurance companies have a self-regulation association lobbying body, the Association of Kenya Insurers (AKI). The professional body of the insurance industry is Insurance Institute of Kenya (IIK) which offers the services of training and professional education. Insurance business as from 2014 has witnessed a growing interest from international insurance companies culminating to mergers and acquisitions. Mergers, acquisition and strategic alliances strength the insurance company's capital base and serve as a basis of organizational learning. The Finance Bill, 2015 increased the minimum capital requirement for insurance to Ksh.600 million, thereby creating more need for mergers and acquisition in order to close the capital gap. The Finance Bill aims at ensuring stability in the financial sector of insurance by ensuring stable insurance firms.

Insurance industry is segment of financial sector in the economy. Financial Sector Stability (FSS) report (2014) by Central Bank of Kenya (CBK) in partnership with Capital Market Authority (CMA), Insurance regulatory Authority (IRA), Retirement Benefits Authority (RBA) provides an outlook of growth for the insurance industry as a whole. Insurance premiums have grown to 20.4% with life insurance business growing at a higher rate compared to non-life insurance business (FSS, 2014). Market penetration in Kenya is low compared to global standards and other countries in Africa. FSS report (2014) on insurance industry indicates a market penetration of 3.1% of the country Gross Domestic production (GDP). The scenario implies that insurance companies need to be

creative and innovative in developing insurance products to cater for current and emerging market segments in the economy. Organizational learning through appropriate strategies will enhance insurance company's innovation and creativity and hence increase market penetration.

1.1.4 Insurance Companies in Kenya

There are 49 registered insurance companies carrying the business of life and non-life insurance businesses. The companies have witnessed mergers, acquisitions and strategic alliances with international insurance companies (See Appendix 4). Increased external organisational modes have been necessitated by the Finance Bill 2015 which increased the minimum capital requirement from 400 million to 600 million. Most of the insurance companies have their headquarters at the capital city of Nairobi and branches in other major towns AKI (2015). Insurance companies undertake their operations through intermediaries of brokers, financial institution and structured groups. Nairobi Security Exchange (2016) indicates that there are 6 insurance companies that are listed. The balance of 45 companies ownership is either private businesses or branches of multinational companies.

Insurance companies in Kenya have witnessed intense competition in the market forcing them to adopt organizational learning strategies aimed at increasing competitive advantage in the market. The companies have also ventured in the low end market or bottom of the pyramid (BOP) where knowledge and innovation are required to produce micro-insurance products. Micro-insurance products require innovative strategies unique to BOP customers and a highly competitive market segment. Knowledge applied in BOP market segment is acquired through collaborations and innovations. The products are specifically designed to BOP customer need while the prices are aligned to their low incomes. Distribution channels are organized around group structures and intermediary institutions while promotion strategy largely uses direct communication or word of mouth.

1.2 Research Problem

Global business strategy is currently being driven by knowledge which leads to organizational competitive advantage. The competitive advantage is gained through product and process innovation, quality products, quality service delivery and flexibility of mind in adjusting to environmental changes. Learning organizations as entities which have ability to offer solutions to problems, experiment with new approaches, adopt modern technology and quickly learn from others and past mistakes have an insatiable thirst for knowledge (Senge, 1990). The organizations formulate learning strategies which are aligned to objectives in order to enhance organizational performance. The learning strategies formulated are supported by: internal frameworks of organizational design which are organic in nature (Daft, 2010), learning culture (Kuo, 2011) and programs oriented to individual development. Externally, global strategic alliances serve as knowledge transmitters and strategies for learning from multinational companies entering into strategic alliances with local firms (Moinket, 2015).

Insurance companies are faced with ultra-competition from increasing number of insurance firms, less entrenched market in the economy and products or services whose benefits aren't immediate (Azizi, 2017). The need to develop insurance products which directly address the need of the consumer, and delivery of quality services, necessitates innovation and creativity. The environment of insurance companies is dynamic; new markets emerge in the economy with unique insurance needs, new entrants are being enlisted by regulatory authorities, customers are getting enlightened and demand better quality service while market is growing at a slow pace (AKI report, 2014). The competitive landscape is being aggravated by multinational companies entering the market with superior insurance products and a more stable capital and asset base. The need to create, develop and implement organizational learning strategies is therefore an imperative.

Organizational learning and performance of insurance companies is an area which has been widely researched by scholars. Azizi et al. (2017) researched on relationship between organizational learning and organizational performance focusing on insurance industry in Tehran. A census survey was carried on all 120 insurance companies in

Tehran. Pearson correlation method was used to generate causal relationship. Elements of organization learning used were knowledge transfer, management commitment, experimentation and learning. The findings were that there is a strong correlation between organizational learning and firm performance. Schreder (2015) studied organizational learning as a boost to organizational performance for business entities in Australia. The study also incorporated insurance firms. Cross sectional survey method was used in collecting data from various businesses. Variances were analysed and scree plot developed to establish relationship. The findings were that there is a positive relationship between organizational learning and business performance.

Kirayn (2014) researched on relationship between leadership in organizational learning strategies and performance of insurance companies in Kenya. Data on organisational learning was collected from top management of insurance companies while financial performance data was derived from published accounts of insurance companies covering a period of five years. The findings were that there was a positive relationship between leadership in organizational learning strategies and performance of insurance companies in Kenya. Kiragu (2014) carried out a study on challenges facing insurance companies in building competitive advantage in Kenya. Descriptive research design was carried on 49 firms in the market and data was analysed using regression analysis. The findings singled out knowledge management or organizational learning as a key challenge.

Odoyo (2014) researched on organizational learning and performance of insurance firms in Kenya. The study focused on organizational learning as a corporate strategy and its influence on performance. However the study failed to specify the strategies adopted in organizational learning strategy and how each of them influences performance. Cross-sectional survey method was used to collect the data from the 48 firms in the insurance industry. Correlation analysis was used to establish the relationship between organizational learning and relationship of insurance firms. The findings were that there exists a poor relationship between organizational learning and insurance performance.

To the best of researcher's knowledge, no known study has been undertaken on the relationship between organizational learning strategies and performance of insurance companies in Kenya. The study sought to fill this research gap by answering the following research question; what is the relationship between organizational learning strategies and performance of insurance companies in Kenya?

1.3 Objective of the Study

The objective of this was to establish relationship between organizational learning strategies and performance of insurance companies in Kenya.

1.4 Value of the Study

The study will contribute to the existing body of knowledge by closing the identified research gap. The existing body of theories will apply findings of the study to enhance generalization and applicability. Scholars and researchers will use the findings of the study to carry out further research to establish whether the findings can be generalized or replicated in other non-insurance segments of the economy.

Managers in insurance companies and insurance bodies of; AKI and IIK will find the study to be of value when developing appropriate organizational learning strategies. Managers will use the findings of the study to strategically implement organizational strategies which add value to the business. IIK will utilize the findings of the study to come up with appropriate training programs to enhance professional competence in insurance companies. Human resource departments will incorporate the appropriate organizational learning strategies in the training programs.

Financial sector in the economy will benefit from the study when developing financial policies. Learning models developed by insurance firms will be replicated in other businesses of the financial sector in order to enhance their performance. Central Bank of Kenya, Capital Markets Authority, Insurance Regulatory Authority and Retirement Benefits Authority as players in the financial sector will apply the study to develop a synchronized model of knowledge management and institutional development through appropriate learning strategies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter covers literature on organizational learning strategies and performance of insurance companies. Theoretical framework to guide the study on organizational learning strategies and performance as well as empirical review constitutes the chapter.

2.2 Theoretical Foundation

Theories on organizational learning used to provide foundation on which organization develops the learning strategies are learning loop theory and 4i theory.

2.2.1 Learning Loop Theory

Argyris and Schon (1996) conceptualized learning loop theory which focuses on individual learning in the context of organizations. Learning loop theory is structured into single loop and double loop which serve to explain individual and organizational learning. Single loop learning is concerned with behavioral outcomes of the individual in the organization. The behavioral outcomes occur through adaptation to organizational norms. Single loop learning requires the individual to measure performance against pre-approved standards without questioning, challenging, rethinking or altering the standards. Such adaptation of behavior according to Namada (2017) is characterized by one way communication. Learning in single loop occurs in a prescriptive manner where deviation from the set procedures is undesired. The method is suitable for mechanical designed processes of lower level management. Learning is also described to as “lower level” or adaptive learning. The structure design appropriate for single loop learning is mechanistic structure which has high formalization (Daft, 2010).

Double loop learning is concerned with changing the status quo by challenging the existing norms and rules. Double loop learning starts with understanding the current situation better, rethinking about the situation through application of knowledge and innovation and proposing solutions by advocating change (Verra & Crossan, 2004). Creative thinking, inquisitiveness and constructive challenge of the existing norms and

rules are the hallmark of double loop learning. The method of organizational learning is applicable at strategic levels of the organization where generation of new ideas is required in strategic decisions and strategy development. Double loop learning is also referred to as “high-level learning”, “generative learning” or strategic learning (Verra & Crossan, 2004). Organizational structure supportive to double loop learning is organic structure. Organic structure has two way communication or feedback, innovation and creativity, and allows feed forward in dynamic environment Daft et al., (2010).

Learning loop theory is relevant to the study because it's applicable to individual and organisational learning and relates to the structure of the organisation. Single loop enables managers or supervisors to induct employees in scheduled process of production which use predetermined procedures in machines operations. Double loop learning in higher levels allows for exchange of knowledge leading to creativity and innovation, crafting of strategies and making of strategic decisions.

2.2.2 4i Learning Theory

4i framework of learning is derived from the psychological learning process of; intuition, interpretation, integration and institutionalization. Verra and Crossan (2004) formulated 4i learning theory by providing a multilevel learning process which is anchored to the three levels of learning namely; individual, group and institutional. Crossan et al. (1999) observes that the 4i theory links learning process to the operational, tactical and strategic levels of management. Intuition is the individual learning which involves perception of differences, patterns and responsibilities. Nonaka (1991) describes expert or tacit knowledge in a person which is remotely transferable. Intuition knowledge is large contained in operational level of organization (Daft & Weick, 1984).

Interpretation and integration psychological process is aligned with group level learning. Crossan & Bedraw (2003) is of the view that interpretation is provision of meaning to insights while integration is dissemination of knowledge and learning which leads to shared understanding and coordination of knowledge between different units in the organizations Crossan (2004) provides that a common interpretation and integration in group leads to a common group perception and behaviour which is observed in organizational departments, teams and other learning units. Institutionalization of

learning requires that individual and group learning be embedded into organisational structures, strategy and culture for it to add value and have meaning to the organization. Tippins and Sohi(2003) observe that embedded knowledge and learning provides an organisation with competitive advantage and enhances its effectiveness in seizing opportunities arising from the changes in the environment.

4i learning theory is applicable to the study because it emphasizes on group learning and institutionalization of knowledge in organizational structures and systems. The theory advocates for sharing of knowledge through technological applications enhances knowledge sharing by cutting across hierarchies and empires created through positioning. Shared knowledge and dissemination enhances organisational performance and creates a learning culture.

2.3 Organizational Learning Strategies

Organizational learning strategies are the systems, approaches, methods or mechanism adopted by an organization in its learning process. Kuo (2011) provides the view that organizational learning strategies adopted by an organization are aligned to the learning objectives and overall goals of the organization. Learning objectives are designed to have congruence with desires and needs of the individual and the organization (Raduan et al, 2009). Organizational strategies commonly adopted by organizations includes; strategic alliances, team learning, leadership and organizational culture, technology application and individual development.

Strategic alliances learning strategy endows alliance partners with unique learning opportunities by pairing together firms with skills and knowledge basis that are different. Warui (2015) indicates learning as one of the objectives that entices organizations to join strategic alliances. Value, accessibility and effectiveness of knowledge to be learnt from strategic alliances influences the firms' learning behaviours of effort, cooperation, interaction and willingness to learn. Value of knowledge relates to importance that an organization attaches to the knowledge from the alliance partner. The importance will be high if the knowledge acquired closes an identified knowledge gap or is critical to the operations and processes of the organization (Das, 2000).

Accessibility of knowledge is how protective alliance partners are to the knowledge which they possess. Inkpen (1998) classifies knowledge as either tacit or explicit according to accessibility. Tacit knowledge is intangible and embedded in the organizations systems, culture and beliefs hence its inaccessible. Explicit knowledge is systematic and can be easily transferred through various learning processes. Learning effectiveness relates to absorption capacity of the learning partner in the strategic alliance. Absorption capacity refers to the firms' ability to assimilate the knowledge in its operational activities. Cohen et al (1990) posits that organizations absorption capacity in learning process is influenced by knowledge connections such as technology sharing, staff interaction, relatedness of partners' knowledge and organization culture similarities.

Team learning strategy involves members of a group coming together to develop a shared understanding through interpretation of information by using different individual skills, experiences and knowledge. Fong (2005) gives the view that team learning strategy facilitates collective learning, knowledge dissemination and interpretation. An environment of mutual trust between team members and an atmosphere conducive to tolerance and absence of domineering are critical to team and group learning (Hishamudin et al, 2010). Organic organizational structure with low formalization, informal communication networks, and flattened hierarchies are described to be conducive to team learning strategy by Daft (2010). Team learning strategy is accredited with idea generation, innovation, problem solving and superior service quality delivery (Chan et al, 2003). Matrix structure provides an all-inclusive team that facilitates learning (Hishamudin et al, 2010).

Leadership and organizational culture learning strategy reflects commitment of leaders to organizational learning and the associated learning culture which they propagate in the organization. Oliver et al(2006) explains the role of leadership in organizational learning as one which facilitates empowering of organizational members in knowledge acquisition, promotes proactive learning, develops a learning culture, and provides good role model in learning behaviour. Liao (2005) states that leadership provides clarity of mission and vision upon which organizational learning strategy and organizational performance is aligned to. A learning culture introduced by leaders to the organization is

perpetuated by existing employees through voluntary knowledge transfer. The new culture is proactive in bringing out new ideas and concepts and is biased towards problem solving. Goh (2002) approaches leadership role in organizational learning from a risk perspective by stating that leaders' perception towards risk determines organizational tolerance for experimentation which is a part of learning process.

Technological organizational learning strategy emphasizes application of information systems especially the internet. Torkestani et al (2014) provides that information systems enables organization to focus on critical areas of training, allows transfer and sharing of knowledge and enhances coordination of learning entities within the organization. Information systems cut across structural boundaries and hierarchies enabling flow of information and giving of feedback. Individual learning strategy focuses in developing tacit knowledge in an employee through training and development. Leadership develops policies to support individual talent development and growth for employees occupying strategic positions in the organisation. Performance appraisals are aligned to organizational strategy in order to develop training programs which have mutual benefits to the individual and the organisation. Individual learning strategies needs to be supported by staff retention programs to avoid loss of trained and productive employees.

2.4 Organizational Learning Strategies and Organization Performance

Strategic alliance learning strategy enables the knowledge recipient organisation to acquire new technology, management approaches and efficiency which enhances operational processes leading to enhancement of organisational performance (Goh, 2002). Knowledge gained from strategic alliances learning increases organisational sustainability which goes beyond the lifespan of the strategic alliances. Warui (2015) posits that the organisation continues to utilize knowledge from strategic partners, long after the break of the alliances. Strategic alliance in insurance companies are largely with intermediary bodies like financial institutions and brokerage firms which carry out the functions of channel distribution, premiums collections and claims settlement. The alliances enhance sales growth of insurance products leading to increased sales and profitability.

Team learning strategy increases sharing of knowledge, innovation and creativity. Team learns occurs through brainstorming, focus groups and application of simulation models (Verra et al., 2004). Team learning bequeaths the organisation with knowledge used in problem solving, innovations development and management of situations critical to the organisation (Kuo, 2011). Team learning improves quality service delivery to customers leading to customer satisfaction. Customer satisfaction influences customers repeat buying decision and adoption of newly introduced in the market (Verra & Crossan, 2004).

Leadership promotes a learning culture in the organization that is associated with reduced resistance to change (Daft, 2010). Leadership allows high tolerance of risk through experimentation of ideas leading to motivation of employees in idea generation (Koitalek, 2016). Compensation and benefits schemes to support knowledge acquisition and innovation enhance employee motivation (Raduan, 2009). Motivated employees are committed to their work and increase their production level leading to improved productivity and growth.

Technological learning strategy enhances efficiency and application of knowledge through dissemination and sharing within the organisation. Torkestani et al. (2014) posits that it enhances global markets, procurement, and customer communication. IT learning strategy results to improved market share, increase in sales and profitability. Individual training programs motivates the employees thereby increasing individual employees capacity and capability to perform tasks. There is improved productivity which leads to growth and profitability of organisation.

2.5 Summary of Empirical Literature and Research Gap

Various studies have been done in the area organizational learning strategies and performance. However there are still research gaps which call for further studies. These are summarized in Table 2.1 which indicates authors, country, study focus, findings and the research gap which this study intends to fill.

Authors	Country	Focus	Research methodology	Findings of the study	Research gap
Hushamudin, Mohamad; Shuib Keiling and Rowland(2010)	Singapore	Learning strategies influence on performance of non-profit making organisations	Cross sectional survey involving 70 non-profit organisations. Questionnaire was used to collect data. Data was analysed using descriptive and inferential statistics	Individual learning practices, leadership commitment and team learning influence organizational performance.	Organisational learning strategies and their influence on performance in Insurance industry
Azizi (2010)	Iran	Organizational learning and organizational performance of insurance industries	Cross sectional survey involving 120 insurance companies. Data was analysed through Pearson and multiple regressions.	There is positive relationship between organizational learning and organizational performance.	Contextual gap on organizational learning strategies and performance of insurance companies in Kenya.
Schreder (2015)	Australia	Organizational learning and organisational performance of various industries including insurance.	Cross sectional survey, 215 forms were Involved in data collection. Factor analysis methods was used to analyse the data.	There exists strong relationship between organisational learning and organizational performance.	Cross sectional study focusing in the insurance companies in Kenya.
Torkestani. Mazloorli; and Haghghat	Iran	Information systems, organizational learning and performance of insurance companies.	Quantitative survey study. Structural equation method used to analyse data collected through questionnaire.	There is significant relationship between organization performance and success of information system in an organisation.	Role of other non-technological learning strategies in performance of insurance companies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on methodology used in the research. It provides insight on the procedures which were used to conduct the research. The areas covered in the chapter include; research design, target population, data collection methods and data analysis.

3.2 Research Design

The research design was a descriptive survey. Cooper and Schindler (2008) provide that descriptive study defines the subject, creates profile of a group of problems, people or events through collection of data and tabulation of frequencies. A research survey incorporates the population of the study and does not involve sampling. Findings of the survey are a true representation because use of the population minimises the degree of error associated with sampling method. Descriptive research design provides qualitative data which answers the research questions on the subject under the study.

3.3 Target Population

Target population of the study was all the 49 insurance companies in Kenya (see appendix II). All the insurance companies were surveyed and provided data in regard to organizational learning strategies and performance of the insurance firms. The insurance firms considered in the study were the headquarters and not the branch networks.

3.4 Data Collection

The study used primary data which was collected from the respondents using questionnaire. Questionnaire was used to collect data on organization learning strategies and financial and non-financial performance. Questionnaires enable the researcher to focus on areas of importance to the research (Leading et al., 2001). Structured questions were used in the questionnaires. Cooper and Schindler posit that structured questions reduce time for data collection while unstructured questions encourage the respondent to avail in-depth responses, hence enhancing quality of data collected. Reliability and validity of the questionnaire was done through pre-testing with selected insurance firms by the researcher.

The questionnaires were administered directly to the managing directors in each of the insurance companies or any other senior manager whom the MDs delegated to. The questionnaires were structured into three sections; section A, B and C. Section A was on general information about the respondents and the organization. Section B was on organizational learning strategies. Section C collected information on both financial and non-financial performances. Likert scale ranging from 1-5 was used to indicate respondents view on the organization learning strategies and performance on insurance companies.

3.5 Data Analysis

Descriptive and inferential statistics was used to analyse the data collected from the insurance companies. Mean scores and frequencies were used as descriptive statistics while multiple regression analysis was used to establish relationship between dependent and independent variables.

The model used in the analysis was expressed as follows:

$$Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + e$$

Where;

- Y = Dependent variable - Insurance company's performance – represented by financial indicator of ROI, ROA, General profitability and non-financial performance indicators of customer satisfaction, innovations, employees satisfaction, organizational growth and market share.
- $\beta_1- \beta_5$ = Beta co-efficient used to explain sensitivity of variable Y to predictors;
- X₁ = Strategic alliance,
- X₂ = Team learning
- X₃ = Leadership
- X₄ = Technological learning
- X₅ = Individual learning
- e = Error term which captures unexplained variations
- a = Construct term

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

The chapter presents analysis, findings and discussions of the study whose objective was to establish relationship between organizational learning strategies and performance of insurance companies in Kenya. The chapter also contains discussions based on the findings of the study.

4.2 Social – Demographic Profile

The profile was analysed in regard to response rate, gender, age, qualification and position held in the organization.

4.2.1 Response Rate

Questionnaires were distributed to 49 insurance companies which formed the population of the study. Targeted respondents were managing directors but most delegated the task of filling the questionnaire to senior managers in Finance or Human Resources departments. The response was received from 44 insurance companies. The response rate represents 90% of the total questionnaires. According to Mugenda (1999), a response rate of 70% is considered to be good or excellent for analysis and reporting. The response rate for the study was considered to be excellent based on the aforementioned assertion.

4.2.2 Gender

The respondents were 40 male and 4 females. This indicates that majority of the respondents were male (90%) while female were the minority (10%). This implies that senior management of insurance companies are male dominated. This however had no effects on the findings.

4.2.3 Education and Professional Qualification

The respondents who were senior managers in the insurance companies had graduate and post graduate academic qualifications. 28 of the respondents had graduate qualifications representing 64% of the respondents. 16 of the respondents had post graduate

qualification, representing 36% of the respondents. All the respondents had professional qualifications on insurance from Insurance Institute of Kenya (IIK) and other foreign professional bodies. This implies that senior management of insurance companies have qualified and professional managers.

4.3 Organisational Learning Strategies

The study focused on organizational learning strategies and performance of insurance companies. The dependent variable was the organization performance while the independent variables were the organizational learning strategies. The study sought to establish the extent to which organizational learning strategies namely; strategic alliances, team learning, leadership, technological and individual learning were practiced in insurance companies.

A five point likert scale was used to measure the extent to which the learning strategies are practiced in the insurance companies. The range was “Not at all” (1), to “very large extent” (5). The score of disagreeing is taken to represent a variable which had a mean score of 0 to 2.5 on the continuous likert scale; ($0 < S.E < 2.4$). The score of neutral is taken to represent a variable with a measure of 2.5 to 3.4 on the continuous likert scale; ($2.5 < M.E < 3.4$) and the score for both agree and strongly agree have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous likert scale; ($3.5 < S.A < 5.0$). A standard deviation of > 1.0 implies a very significance difference on the impact of the variable among the respondents. The findings on the organizational strategies were as follows:

4.3.1 Strategic Alliance

Strategic alliances is a learning strategy that enable insurance companies tap skills and knowledge from the strategic partner. The respondents were asked to indicate how strategic alliances are used as a learning strategy in the company. The findings are reflected in Table 4.1.

Table 4.1: Strategic Alliance

Strategic alliances learning strategy		Mean	Standard deviation
1.	The organization has entered into various strategic partnerships of: joint ventures, outsources, etc as a strategic learning process.	4.11	0.904
2.	The organization has benefited from knowledge transfer in the strategic alliance.	3.72	1.128
3.	There exists structured channels of knowledge transfer and organizational learning the strategic alliance relationship.	3.81	0.814
4.	The strategic partners are over protecting in their knowledge hence there is little learning for the organization.	3.67	1.095
5.	Strategic alliance serves to close the knowledge gaps experienced by the organization through learning.	3.67	1.095
Overall (N= 44)		3.85	1.007

Source: Research Data (2017)

The findings indicated that insurance companies have used strategic alliances as a learning strategy (M=4.11, SD = 0.904). The strategy however has a low standard deviation meaning that not all strategic alliances are consistent in learning process. Strategic alliances closes the knowledge gap experienced by an organization (M=0.3909, SD=0.3312). The low rate of standard deviation implies that insurance companies a specific and selective in choosing strategic alliance for learning. They enter into alliances which will specifically address the organizational knowledge gap. Strategic alliances partners moderately protect their knowledge (M=3.67, SD=1.095). The high standard deviation arises out of the alliances whose knowledge is not protected because is not embedded in organisation's systems hence can be easily imitated or transferred. On overall insurance companies use of strategic alliance as a learning strategy was moderately high (M = 3.85).

4.3.2 Team Learning Strategy

Team learning strategy is group learning that aids interruption and idea generation through team or group interaction. The respondents were asked to indicate how team learning was used as a learning strategy in the company. The findings are represented in Table 4.2.

Table 4.2: Team Learning

Team learning		Mean	Standard Deviation
1.	The organization has structured team or groups through which learning occurs.	4.05	1.197
2.	An appropriate organizational structure which allows flexibility exists in the organization and enables team learning.	4.47	1.068
3.	An atmosphere of mutual trust in the organization facilitates team learning between the members.	3.67	1.539
4.	Practical ideas generated by the team are always implemented by the organization.	3.29	1.502
5.	Communication in the organization is largely horizontal and diagonal to enable team working across the departments.	4.59	0.624
Overall (N= 44)		4.06	1.186

Source: Research Data (2017)

There was high use of structured team or groups for learning ($M = 4.05$) which were facilitated by an organic organizational structure for flexibility (4.47). There was high standard deviation for team structures and organizational structures (1.197 and 1.067) indicating dynamic changes in team working relationship as well as dynamic changes for organizational environment. Trust within teams and implementation of practical ideas was moderately high ($M = 3.67$; and $M=3.29$). This indicated that they are not very high prevalent in insurance companies. The standard deviation of trust in teams and implementation of practical ideas is high ($SD = 1.539$ and 1.502 respectively). This can be explained by the fact the trust is emotional varying with situation. Management's implementation of new ideas is also never consistent. Communication used in team learning was largely horizontal and diagonal ($M = 4.59$) with a moderately low standard

deviation of 0.6242.). Team learning strategy had an overall mean of 4.06 (M=4.06) which indicates that the strategy is highly practiced in insurance companies.

4.3.3 Leadership Learning Strategy

Leadership learning strategy is conscious management effort to provide vision, culture and incentives that support organizational learning. The respondents were asked to indicate how leadership was used as a learning strategy in the company. The findings are represented in Table 4.3.

Table 4.3: Leadership Strategy

Leadership strategy		Mean	Standard deviation
1.	Management of the organization provides strategic direction in learning through mission and vision.	3.89	0.368
2.	Management has built a learning culture in all the levels of the organization.	3.63	0.572
3.	Management implements learning outcomes of innovation to encourage organizational learning.	3.02	1.169
4.	Reward administration recognized knowledge acquisition and innovation by employees.	3.16	1.189
5.	Management champions change emanating from Organizational learning.	3.58	0.654
Overall (N= 44)		3.54	0.791

Source: Research Data (2017)

Organizational vision and culture in regard to learning were moderately highly applied in (M = 3.89, and 3.63 respectively). The standard deviation was low (SD 0.368 and 0.572 respectively) depicting that the vision and culture once set in an organization are less prone to change. Implementation of learning outcomes by management was somehow low and so was reward and compensations (M = 3.02, and 3.16). This can be explained by the fact that learning outcomes take a time lag before they are transformed into goods and service and that they are not immediately recognized for reward and compensation. The standard deviation for learning outcomes implementation and reward administration were high (SD = 1.169 and 0.898 respectively). This shows lack of consistency by organizations in implementing innovations due to the associated risks. Management have a wide discretion in determining innovations which merit for reward. Management as

champions of learning and change have a moderately high application (M=3.58) and moderately low standard deviation (SD = 0.654). Leadership learning strategy had an overall mean of 3.54 (M=4.06) which indicates the significant role played by management in organizational learning and strategy implementation.

4.3.4 Technological Learning

Technological learning involves application of technology especially internet in learning process. Technology is critical in information sharing and knowledge dissemination in the organization. The respondents were asked to indicate how technology was used as a learning strategy in the company. The findings are represented in Table 4.4.

Table 4.4: Technological Learning

Technological learning strategy		Mean	Standard Deviation
1.	The organization has adopted technology in its learning processes.	4.64	0.521
2.	There is high application of IT in the internal processes of the organization.	4.59	0.618
3.	Internet services are highly applied in learning process.	4.589	0.573
4.	Organization engages strategic partners' alliances to enhance technological learning.	4.471	0.717
5.	The organization continuously upgrades its technology.	4.65	1.112
Overall (N= 44)		4.58	0.708

Source: Research Data (2017)

The finding noted high application of technological learning by insurance firm (M = 4.64, SD = 0.521). There is also high application of information technology (M=4.5882, SD = 0.618). Internet application is also high (M=4.59, SD=0.573). Strategic alliances are highly engaged for technological learning to close the gap in the technological gaps of strategic partners (M = 4.471; SD = 0.717). Insurance companies as learning organizations are engaged in continuous improvement of technology (M = 4.65; SD = 1.113). The high standard deviation indicates the dynamic nature of technology. On overall insurance companies use of as a technology strategy was moderately high (M = 3.54). This is explained by the growing use of E-Business and digitization of insurance operations.

4.3.5 Individual Learning

Individual learning comprises of training programs developed by the organization aimed at equipping employees with relevant skills and enhancing his or her capacity to perform and achieve set tasks and objectives. The respondents were asked to indicate how leadership was used as a learning strategy in the company. The findings are represented in Table 4.5.

Table 4.5: Individual Learning

Individual learning		Mean	Standard deviation
1.	The organization has a performance management system which identifies individual knowledge gap to be filled by learning.	4.12	0.621
2.	The organization has elaborate training programs designed to close individual knowledge gaps.	3.68	0.951
3.	Individual knowledge gained through learning is shared across all the employee through institutionalization process.	3.64	0.954
4.	Organization supports individual learning through reward and recognition systems.	3.52	1.142
5.	Organization uses individual learning in development and career growth.	4.04	0.98
Overall (N= 44)		3.77	0.93

Source: Research Data (2017)

There is a high use of performance management system in individual learning strategy (M=4.12; and SD = 0.621). The moderate high standard deviation indicates that the organization use other methods in addition to performance management system in identifying individual training needs. Individual training programs and sharing of knowledge are moderately high for insurance companies (M = 3.68, and 3.64 respectively). The high standard deviation (SD=0.951; and SD= 0.954) indicate variability of training programs according to training budgetary allocations and individual tendency to withhold knowledge once acquired. There is a high application of individual learning in career growth (M=4.04, and SD = 0.98). The high standard deviation indicates that career growth is not only influenced by individual learning. Individual learning

strategy had an overall mean of 3.77 (M=3.77). This indicates the value attached to employee development and career growth in the insurance industry.

4.4 Organisational Performance

Organisational performance adopted non-financial and financial performance measures. Non-financial measures included; customer satisfaction, innovations, employee satisfaction and market share. Financial performance includes ROI, ROA and general profitability. Mean values and standard deviation were used to determine level of performance. The findings of performance are indicated in Table 4.6.

Table 4.6: Organisational performance

Customer satisfaction		Mean	Standard deviation
1.	Customer increase in numbers for the insurance company.	4.226	0.8723
2.	Existing customers buying newly introduced products by the insurance company.	4.014	0.8551
3.	Customers introducing new clients to newly introduced company products.	3.72	1.0571
4.	Customer satisfaction increase as indicated by reduction of customer complaints.	3.502	1.0674
5.	Loyalty of existing customers by not switching to competitors.	3.621	0.524
Overall (N= 44)		3.817	0.875
Innovations			
6.	Introduction of new insurance products in the market.	3.854	0.973
7.	Enhancement of existing insurance products in the market.	3.873	0.874
8.	Technological incorporation in delivery of products and services.	3.652	1.260
9.	Introduction of new strategic partners to enhance organizational learning.	3.413	1.269
10.	Improvement of new methods and procedures in the insurance companies.	3.413	0.652
Overall (N= 44)		3.642	1.006
Employee satisfaction			
11.	Reduced staff turnover.	4.052	1.113
12.	Improved staff development and training.	4.001	0.752
13.	Improved employee commitment.	4.561	0.874

14.	Improved performance by employees.	4.446	1.231
15.	Reduction of staff grievances.	3.574	1.262
Overall (N= 44)		4.127	1.046
Organizational growth			
16.	Increase in number of branches	4.405	0.652
17.	Acquisition of business units from competitors	4.314	0.613
18.	Increase in number of business assets	4.157	0.652
19.	Increase in number of employees	3.828	1.271
20.	Introduction of new products	3.641	0.924
Overall (N= 44)		4.069	0.822
Market share			
21.	Growth in market share	4.686	0.57
22.	Increase in distribution channels	4.017	0.907
23.	Opening of new market territories	3.285	0.7326
24.	New agency business from manufacturers or distributors	3.174	0.844
25.	New product lines growth	3.1457	0.775
Overall (N= 44)		3.661	0.766
Financial performance			
26.	Return on investment (Profit / total sales)	4.251	0.562
27.	Return on assets (Profit / Total Assets)	4.002	0.391
28.	General profitability of the firm / sales growth	4.126	0.496
Overall (N= 44)		4.126	0.483

The findings on Table 4.6 indicates that insurance companies has experienced and increase on the number of customers (M = 4.226). This translates to an increase in the level of sales premiums. Customers recommendation of new customers is moderately high (M=3.721; and SD=1.0571). The high standard deviations indicate the likelihood of newly introduced customers switching to other insurance companies. Customer satisfaction and customer loyalty are moderately high (M = 3.502; and 3.621 respectively). Customer satisfaction has a high standard deviation because customers' behavior is inconsistent over time. The low standard deviation in loyalty reflects the steady state attained by the customers. Customer satisfaction performance has a moderately high mean of 3.817 (M=3.817). This implies that customers are satisfied with quality of service delivery by insurance companies.

Innovations was found to have moderately high performance in terms of new insurance products, improvement of existing insurance products and technological application

innovations ($M = 3.854$; $M = 3.873$ and $M = 3.652$). The standard deviations are high because of unstable nature of newly innovated products in the market ($SD = 0.973$; $SD = 0.8742$; and $SD = 1.2609$ respectively). Strategic alliances had a high performance on innovations and a high standard deviation ($M = 3.502$; $SD = 1.2691$). This reflects low use of strategic alliances in innovations or joint research. The high standard deviation is indicative of protectionism by strategic partners in innovation process. Improvement of new methods and procedures had a high performance and moderately low standard deviation ($M = 3.413$; and $SD = 0.652$). The low standard deviation is because systems and procedures once put in place take time to change. Innovations had a moderately high overall mean of 3.642 ($M = 3.642$) implying that insurance companies continuously innovate on new products or improve on the existing ones.

Employee satisfaction consisted of; reduced staff turnover development and training; employee commitment; and performance have recorded increased performance ($M=4.052$; $M = 4.00$; $M = 4.561$ and $M = 4.446$). This indicated that insurance companies attach a high value to human resources capital. Employee grievances are moderately high ($M = 3.574$, $SD = 1.762$). The overall mean of employee satisfaction is high at 4.187 ($M= 4.187$). This explains insurance companies strategy on human capital development to improve performance.

Organizational growth in perspectives of; number of branches; mergers and acquisitions; and business assets were found to have a high performance ($M = 4.405$; $M = 4.314$; and $M = 4.157$ respectively). The standard deviations are low due to their fixed nature ($SD = 0.652$; $SD = 0.613$; $SD = 0.652$ respectively). Number of employees and introduction of new products have moderately high performance and high standard deviation ($M = 3.828$; and $M = 3.641$). The overall mean of organisational growth is high at 4.069 ($M= 4.069$). The growth explains performance of insurance companies as indicated by the mean of financial performance.

Market share elements of growth and distribution channel have a high performance ($M = 4.686$; $M = 4.017$). Standard deviation ($SD = 0.57$) was low because insurance customers have high loyalty and customers stick to their original service provider. Other elements in

market share; new market territories; new agencies, new products growth had moderately low performance (M = 3.285; M = 3.174; and M = 3.145). Overall mean on market share is moderately high at 3.661 (M=3.661). The performance of market share is in line with growth of customers which is reflected by customer satisfaction performance.

Financial performance was high with elements of; return on investments, return on assets and general profitability, indicates a high performance (M = 4.251; M = 4.002; and M = 4.126 respectively). Standard deviation was moderately low indicating consistence in performance of insurance business in premium sales and product investment in assets (SD = 0.562; SD = 0.391 and SD = 0.496). The performance has a moderately high mean of 4.186. The performance is in line with growth in customers, market share and innovations.

4.5 Regression Analysis

Relationship between organisation learning strategies and performance is depicted by coefficient of determination and ANOVA. Table 4.7 indicates relationship between organisational learning strategies and performance of insurance companies.

4.5.1 Model Summary

Table 4.7: Model summary

R	R square	Adjusted R-square	Std-Error of Estimate
0.371	0.362	0.3196	0.062

In order to explain the percentage of variation in the dependent variable performance as explained by the organization learning strategies regression of dependent variables on independent variable was carried out. The researcher used coefficient of determination (Rsquare-adjusted) which is obtained from the above summary model. From the findings the organization learning strategies contributed to 31.96% of the performance of insurance companies in Kenya.

4.5.2 Analysis of Variance

To test the impact of the relationship between learning strategies and performance of insurance companies in Kenya, the research conducted the analysis of variance. The findings are as shown below.

Table 4.8: Goodness of fit - ANOVA

Model		Sum of squares	Df	Mean square	F	Sig.
	Regression	0.024	11	0.0022	6.44	0.001
	Residual	0.011	17	0.001		
	Total	0.451	28			

The goodness of fit results indicates significant relationship between performance and learning strategies with significance of 0.001. This is because P value is less than 0.05. This means that strategic alliance, team learning, leadership, technological learning and individual learning can predict the performance of the insurance companies in Kenya.

4.5.3 Regression Coefficient

The following table gives the coefficients which help in establishing the regression to establish the independent variables that significantly predict performance of insurance companies.

Table 4.9: Regression coefficients

Model	Unstandardized coefficients	Standardized error	t-value	Sig.
(Constant)	0.642	0.092		
Strategic alliances	-0.571	0.091	-6.274	0.071
Team learning	0.296	0.163	1.816	0.006
Leadership learning	-0.746	0.433	-1.723	0.082
Technological learning	0.061	0.265	0.231	0.034
Individual learning	-0.124	0.000	0.611	0.496

The multiple regression equation that was used in the study was:

$$Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \dots + e$$

The model used predictors $x_1 - x_5$ which are the organizational learning strategies of; strategic alliances, team learning, leadership learning, technological learning and individual learning. The study found team learning and technological learning to significantly influence performance of insurance companies.

The established regression equation was;

$$Y = 0.642 + 0.296X_1 + 0.061X_2 + e$$

Where;

X_1 = Team learning strategy

X_2 = Technological learning strategy

The analysis which was taken at 5% significant level. The obtained β and $\alpha = 0.05$ were used to compare significance of the predictor. A predictor whose probability value was less than $\alpha = 0.05$ was deemed to be significant. From the comparison, the predictors of team learning strategy and technological learning strategy have a significant and positive relationship with performance ($\beta = 0.296$; 0.061 respectively). The other organizational learning strategies of strategic alliances, leadership and individual learning had a negative relationship with organizational performance ($\beta = -0.571$; -0.746 ; and -0.124). Team and technological learning strategies are significant having as P value of less than 0.05 ($\alpha = 0.006$; and 0.034 respectively). The other learning strategies of strategic alliances, leadership and individual learning have a P value greater than 0.05 ($\alpha = 0.071$; 0.083 ; and 0.496 respectively) and are not significant predictors of performance. The 68.04% not in the model can be explained by other factors that influence performance in the insurance company.

4.6 Discussion of Findings

The study aimed establishing the role of organizational learning strategies on performance of insurance companies. The organizational learning strategies which were used in the study included; strategic alliances, team learning, leadership learning, technological and individual learning. From the findings of the study team learning and technological learning strategies were found to significantly influence performance. Team learning allows for generation of ideas and integration of newly acquired knowledge. This leads to creation of knowledge that is used to innovate on new insurance

products, enhancement of quality service delivery and problem solving techniques. Technology especially internet allows for integration of knowledge between different hierarchies and structural unit of an organization. Technology leads to real time communication with customers and e-business.

Independent variables found to have negative relationship with performance were strategic alliance, leadership learning and individual learning. Strategic partners are protective of their knowledge during alliance relationships. Knowledge transfer between strategic partners is minimal. This explains the less significant influence of strategic alliances in influencing performance. Leadership learning strategy provides vision, mission and guidelines on organisational learning strategies. The learning strategies are aligned to organisational objectives for them to contribute to performance. The negative relationship between leadership learning strategies and performance may be explained by weak guidelines and non-alignment of organisational learning strategies to organizational objectives. Individual learning strategies insignificant relationship and influence on performance can be explained by lack of institutionalisation of individual learning.

The findings conform to existing literature that organisational learning strategies influence performance. Azizi (2010) researched on the relationship between organization learning and performance focusing on insurance industry in Iran. This conclusion concurs with his findings that there is a strong correlation between organizational learning and organizational performance. Torkestani et al. (2017) found that there is significant influence of success of information system in an organization and performance. This findings conforms to the findings of this study that use of technology plays a critical role in organizational learning and performance. Theoretical foundations of learning loop and 4i learning were found to appropriate to the study. 4i was found to be applicable in strategic alliance, team and technological learning strategies while learning loop was more applicable to individual learning and leadership learning strategies. However they are specific in discerning the learning strategies which significantly influence performance. Not all learning strategies influence performance and organisations should apply learning strategies selectively by implementing learning strategies which highly influence organizational performance and have companywide impact.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter presents the summary, conclusion and recommendations of the study findings, limitations of the study, implication to research and policy, and recommendations for further research. The chapter is aligned to the objective of the study which is to establish relationship between organizational learning strategies and performance of insurance companies.

5.2 Summary

The findings of the study were that insurance companies apply organizational learning strategies in their operation activities. Learning strategies were found to have less significance and influence on performance of insurance companies. Technology and team learning strategies have a positive correlation with performance. Technological learning strategy entails use of internet in information management and in the business of insurance companies. Internet was found to enable information and knowledge sharing internally and supported e-business through online sales of insurance products and premium payments

Team learning strategy contributed to group generation of ideas, creativity and cross-functional working. New ideas generated by the team are integrated into the organizational systems, thereby enhancing operational performance. Other learning strategies with a negative correlation have no significant influence on performance of insurance companies.

5.3 Conclusion

The study concludes that organizational learning strategies have moderate influence on performance of insurance companies. Different organizational learning strategies have different relationship with performance. Insurance companies therefore need to strategically choose the learning strategies, by implementing the ones which positively influence performance. Technological and team learning strategies which have positive

relationship with performance impact on the whole organization and should be implemented to achieve organisational objectives.

5.4 Recommendations of the Study

The study recommends that insurance companies should be strategic in making selection of organizational learning strategies. Not all learning strategies influence performance of the organization. The insurance companies should view learning as an investment and select or implement learning strategies whose impact is to the whole organization and business performance. Organisational learning strategies should be aligned to organisational objectives for them to contribute to performance.

Insurance companies should put in place mechanism and structures that will ensure that organizational learning strategies that this study finds to have negative influence on performance are used to achieve their learning objectives. Organization should develop and enforce leadership style that will promote learning culture. Insurance companies should also seek to close the learning gaps from the existing and new partnership and institutionalize the individual learning.

5.5 Limitations of the study

The study which was a cross sectional applies largely to insurance companies. The findings of the study would only be applicable to companies in the insurance industry. Generalization of the study would only be applicable if the study were to be carried out in other industries. The study was carried out in Kenya where insurance deepening in relation to GDP is low. The study should be replicated in countries having a high penetration of insurance in the economy. Benchmarking will enable determination of structural inhibitors which affect effectiveness of learning strategies in the insurance industry. Validity of the findings and generalization need to be enhanced by carrying out similar studies in other sectors of the economy.

Some of the respondents were afraid of providing the information fearing that it would be used for other purpose other than academic. The researcher dealt with this limitation by assuring the respondents of strict confidentiality of the information obtained which would only be used for academic study purposes.

5.6 Implications on Practice and Policy

The findings have wide implication to policy and practice. Insurance companies will apply the findings to their organizations. The industry will operationalize the findings to enhance knowledge management practice. Such practice would include institutionalization to ensure that the learning strategy adopted contributes to the bottom line of the organization.

Policy framework to guide the industry on the appropriate learning strategies would be developed by the regulators. Such policy would include on technological application of insurance products development, distribution, information dissemination and customer service. The findings would impact on policies of training, career development and organizational learning aimed at improving the insurance industry.

5.7 Recommendations for Further Research

Further research is required by involving more learning strategies in the insurance companies. Expanding the scope of the learning strategies would capture more information that can be applied reduce the error and biasness associated with every study. Other methods of analysis in addition to inferential statistics needs to be introduced for purpose of comparing the outcomes and hence generalization. Expanding the same study to other firms in different industries is recommended to identify only peculiarities associated with the insurance industries.

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APPENDICES

APPENDIX I: INTRODUCTION LETTER



**UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS**

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE.....

TO WHOM IT MAY CONCERN

The bearer of this letter

Registration No.....

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

**PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS**



APPENDIX II: QUESTIONNAIRE

Dear participant,

I am currently taking an academic research project on organizational learning strategies and performance of insurance companies in Kenya. Your response will be of great importance in making the research project a success. Information gathered in this research will be accorded highest level of confidentiality and will solely be used for the purpose of study.

SECTION A: PROFILE OF THE RESPONDENT

1. Gender

Male [] Female []

2. Age

18 – 25 years [] 36 – 50 years []

26 – 35 years [] Over 50 years []

3. Education qualification

Undergraduate [] Post graduate []

Graduate [] Others_____

4. Current position held in the organization_____

SECTION B: ORGANIZATIONAL LEARNING STRATEGIES

On a scale of 1-5 please indicate in the table provided the degree to which each of the statements about organizational learning strategies fits your description.

Tick (✓) as appropriate where representation is as follows:

(1) Not at all, (2) To a small extent, (3) To some extent, (4) To a large extent and (5) To a very large extent

ORGANIZATIONAL LEARNING STRATEGIES		1	2	3	4	5
Strategic alliances						
1.	The organization has entered into various strategic partnerships of: joint ventures, outsources, etc as a strategic learning process.					
2.	The organization has benefited from knowledge transfer in the strategic alliance.					
3.	There exists structured channels of knowledge Transfer and organizational learning the strategic Alliance relationship.					
4.	The strategic partners are over protecting in their knowledge hence there is little learning for the organization.					
5.	Strategic alliance serves to close the knowledge gaps experienced by the organization through learning.					
Team learning strategy						
6.	The organization has structured team or groups through which learning occurs.					
7.	An appropriate organizational structure which allows flexibility exists in the organization and enables team learning.					
8.	An atmosphere of mutual trust in the organization facilitates team learning between the members.					

9.	Practical ideas generated by the team are always implemented by the organization.					
10.	Communication in the organization is largely horizontal and diagonal to enable team working across the departments.					
Leadership learning strategy						
11.	Management of the organization provides strategic direction in learning through mission and vision.					
12.	Management has built a learning culture in all the levels of the organization.					
13.	Management implements learning outcomes of innovation to encourage organizational learning.					
14.	Reward administration recognized knowledge acquisition and innovation by employees.					
15.	Management champions change emanating from Organizational learning.					
Technological learning strategy						
16.	The organization has adopted technology in its learning processes.					
17.	There is high application of IT in the internal processes of the organization which enhances knowledge dissemination and sharing.					
18.	Internet services are highly applied in learning process.					
19.	Organization engage strategic partners alliances to enhance technological learning.					
20.	The organization continuously upgrades its technology.					

Individual learning					
21.	The organization has a performance management system which identifies individual knowledge gap to be filled by learning.				
22.	The organization has elaborate training programs designed to close individual knowledge gaps.				
23.	Individual knowledge gained through learning is shared across all the employee through institutionalization process.				
24.	Organization supports individual learning through reward and recognition systems.				
25.	Organization uses individual learning in development and career growth.				

SECTION C: ORGANIZATIONAL PERFORMANCE

On a scale of 1-5 please indicate the level of achievement in the following performance indicators in your organization for the last three years.

Tick (√) as appropriate where representation is as follows:

- (1) Not at all successful, (2) To a small extent successful, (3) To some extent successful, (4) To a large extent successful and (5) To a very large extent successful.

NON-FINANCIAL PERFORMANCE		1	2	3	4	5
Customer satisfaction						
1.	Customer increase in numbers for the insurance company.					
2.	Existing customers buying newly introduced products by the insurance company.					
3.	Customers introducing new clients to newly introduced company products.					
4.	Customer satisfaction increase as indicated by reduction of customer complaints.					

5.	Loyalty of existing customers by not switching to competitors.					
Innovations						
6.	Introduction of new insurance products in the market.					
7.	Enhancement of existing insurance products in the market.					
8.	Technological incorporation in delivery of products and services.					
9.	Introduction of new strategic partners to enhance organizational learning.					
10.	Improvement of new methods and procedures in the insurance companies.					
Employee satisfaction						
11.	Reduced staff turnover.					
12.	Improved staff development and training.					
13.	Improved employee commitment.					
14.	Improved performance by employees.					
15.	Reduction of staff grievances.					
Organizational growth						
16.	Increase in number of branches					
17.	Acquisition of business units from competitors					
18.	Increase in number of business assets					
19.	Increase in number of employees					
20.	Introduction of new products					
Market share						
21.	Growth in market share					
22.	Increase in distribution channels					
23.	Opening of new market territories					
24.	New agency business from manufacturers or distributors					
25.	New product lines growth					

Financial performance						
26.	Return on investment (Profit / total sales)					
27.	Return on assets (Profit / Total Assets)					
28.	General profitability of the firm / sales growth					

APPENDIX III: LICENCED INSURANCE COMPANIES – 2016

1.	AAR Insurance Kenya Limited
2.	AIG Kenya Insurance Co. Ltd
3.	Africa Merchant Assurance Co. Ltd
4.	Allianz Insurance Co. of Kenya Ltd
5.	APA Insurance Limited
6.	APA Life Insurance Limited
7.	Barclays Life assurance (K) Ltd
8.	Britam General Ins. Co. (K) Ltd
9.	British – American Insurance Co. Ltd
10.	Cannon Assurance Ltd
11.	Capex Life Assurance Limited
12.	CIC General Insurance Limited
13.	CIC Life Insurance Ltd
14.	Corporate Insurance Co. Ltd
15.	Direct Line Assurance co. Ltd
16.	Fidelity Shield Insurance co. Ltd
17.	First Assurance Company Ltd
18.	GA Insurance Limited
19.	GA Life assurance Ltd
20.	Geminia Insurance company Ltd
21.	ICEA Lion General Insurance Co. Ltd
22.	ICEA Lion Life Insurance Co. Ltd
23.	Intra Africa Assurance Co. Ltd
24.	Invesco Assurance company Ltd
25.	Kenindia assurance co ltd
26.	Kenya Orient Insurance Ltd
27.	Liberty Life assurance Kenya Ltd
28.	Madison Insurance Company Ltd
29.	Mayfair Insurance Company Ltd

30.	Metropolitan cannon Life Ass ltd
31.	Occidental Insurance Co Ltd
32.	Old Mutual UAP
33.	Pacis Insurance Company Ltd
34.	Pioneer Life Assurance company Ltd
35.	Pioneer General Insurance Ltd
36.	Phoenix of EA Assurance Co ltd
37.	Prudential Life Assurance (K) ltd
38.	Saham assurance company (K) Ltd
39.	Sanlam General Insurance Ltd
40.	Sanlam Life Assurance Ltd
41.	Tausi Assurance Company Ltd
42.	The Heritage Insurance Company Ltd
43.	Trident Insurance Company Ltd
44.	Resolution Insurance Company Ltd
45.	Takaful Insurance of Africa Limited
46.	The Jubilee Insurance Co. Ltd
47.	The Monarch Insurance Co. Ltd
48.	The Kenyan Alliance insurance Co. Ltd
49.	Xplico Insurance Limited

Source: list of licensed Insurance Companies – IRA (2016)