

**INNOVATION CAPABILITY, CREATIVITY, TECHNOLOGY AND
PERFORMANCE OF INSURANCE COMPANIES IN KENYA**

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DECLARATION

I hereby make a declaration that I am the original author of this research study and that it has not been submitted to this or any other university either as a whole or in partial.

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

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DEDICATION

This research project is devoted to the prayers, encouragement, understanding and support of my family to the successful conclusion of this research project. I wish them God's blessings.

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My most profound gratitude goes to the Most High God for granting me endurance to complete my research. To my supervisor Prof. Justus Munyoki and moderator Dr. Caren Angima, I am truly honoured for your valuable guidance and assistance during the entire research assignment. Additionally, I recognize the assistance and encouragement from my close friends and family during my research. I wish the entire team God's blessings.

ABSTRACT

Innovation capability, creativity and technology are three linked concepts and phenomena in an organization setting that have been at the principal point of a firm's performance because in the present day competitive business environment, a firm needs to have an extensive capacity to create productive contents and enhance innovation capacity in order to improve its performance as it faces stiff competition from globalization effects. The major concentration of the study was based on investigating the influence of innovation capability, creativity and technology on Kenya insurance companies' performance. The research has been descriptive, with all the insurance players in country being the study population. Though different studies had researched on the influence of innovation, creativity and technology on firm outcomes, limited studies have sought to link the three predictor variables to estimate the companies' success. The present research attempts to fill this existing gap. Data gathering was done using a semi structured questionnaire. Analysis was done using descriptive measures of mean and standard deviation. Linear regression analysis was carried out so as to establish statistically the performance of Kenya insurance firms as a consequence of effective implementation of technology, innovation and creativity. The study found that the insurance companies have a strong commitment to employee training and development thus improving the organizational capacity for innovation. $R=0.645$ established a positive connection between creativity, innovation, technology and performance. Correspondingly, study findings propose that innovation, creativity and technology contributes 41.6% ($R^2 =0.416$) to the overall organization performance. In general, it was established that the regression model was significant and a good fit to predict the study variables since the p-value ($p=0.000$) is less than 5% significance level. Findings from the regression analysis also show that innovation ($p=0.014$) and creativity ($P=0.000$) were significant in influencing organization performance while technology ($p=0.061$) was found to be slightly above 5% significance level. The findings suggest that in order to shore up the insurance companies' performance, employees should be encouraged to come up with ways of achieving organization goals and objectives by being creative and innovative. The findings also suggest that insurance companies have a combined data processing and communication system that enables it to react fast to changes in the operating environment.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

In the coming years, the corporate setting is expected to become more competitive and unpredictable, and under such environment, innovation and creative ability in coordinating and maintaining a competitive advantage are considered to be important factors (Tsai, Horng, Liu, & Da-Chian Hub, 2015). Adoption and implementation of appropriate creativity is expected to result in market led innovation which will eventually lead to enhanced firm performance. Innovative and creative capabilities can help companies to develop single strategies for marketing and other distinctive organizational processes that can better cope with technological and social changes in the decision making process of a firm (Nelson & Quick, 2010). They may also help a company to build its capacities and to learn new technologies which can be used to meet clients' demands because creativity and innovation are knowledge-based competences. It is anticipated, therefore, that those organisations which continually innovate are at a fore front to generating and maintaining competitive advantage. Dervitsiotis (2015) notes that most companies competing in the global perspective are currently focusing on innovation as the major driver of competitiveness.

The research was based two theories, namely; Resource-advantage (R-A) theory (Hunt, 1997) & the Dynamic Capabilities theory (Teese & Pisano, 1994). The resource advantage theory regards an organization as a heterogeneous and imperfectly distributed resources integrator. Such assets are the knowledge base of an organization which is market-related and other forms of internal expertise, whereas imperfectly flexible resources are regarded as tradable and more useful tools in the business. The theory of dynamic capabilities highlights that it

enables a company to create, expand and amend its internal resources by integrating external market opportunities in the strategic value of specific higher order resources such as creativity or innovation capacity. Blocker, Flint, Myers and Slater (2011) argue that the organizational capabilities that relate to customer demand are designed to encourage renewal and innovation.

The Kenyan insurance industry has witnessed over the last ten years an unprecedented shift in its mode of operations resulting out of a shift in its customer demographics, financial reforms from the regulator, emerging markets both within and outside the country, changing customer behaviour and improvement of communication and information technology (Cytton, 2018). As a result of these changes, for the insurance companies to remain competitive, they cannot continue applying the same business models but rather need to be innovative, creative and employ new technologies to enhance their firms' competitiveness. These changes in their operations are expected to result in improved efficiency, productivity and shape the structure of the individual firm performance. The understanding therefore of the role of the insurance firm's creativity, innovation and technological changes on the firms' performance will be important in the current competitive business environment that the insurance companies in Kenya operate in.

1.1.1 Innovation Capability

Different organizations conceptualize innovation in different ways. The popular technique for evaluating development, such as item and process, is incremental, radical, technical and administrative (Damanpour, 1991). Innovation as defined by Tidd and Bessant (2009) is a process for turning new ideas into opportunities. They ideas are incorporated in the organization and the results of innovations are successfully implemented in a way that

provides value for the company. The creative potential is the capability to develop and maintain various skills according to Lawson and Samson (2001). They view it as an incorporation that is more orderly or the ability to integrate the company's resources and capacity to successfully stimulate innovation.. Hage (2009) defines innovations as a new idea for the organisation. In this case, innovation can manifest itself in form of technology and product innovation, first-hand service or system of administration. This means that innovation can only be made if the organization is capable of innovating and acts as the relevant facilitator. Likewise, failure to effectively manage innovation can result in failures because most innovation failures are caused by absence of competent management capacity on innovation (Tidd & Bessant 2009).

Dahlgaard-Park and Dahlgaard (2010) underline that the technological potential of an entity is to incorporate a series of appropriate technological processes for innovation of suitable products for diverse customer classes. The ability of a company to rapidly introduce a new product is key to maintaining competitiveness in an organisation. Guan and Ma (2003) also claim that the capacity for innovation is a demonstration of the organisation's creativity. To ensure efficient innovation, therefore an organisation must enhance its innovation process and new product creation, improve management system, employees, and alliances, and facilitate suitable organisational innovation and learning capacity. The success of an organization is affected by these factors. At the same moment, technology is anticipated to act as an intermediary in the organizational system by which companies create new products, procedures as well as systems needed to adapt to not only dynamic market systems and technology but also competitive practices. (Dougherty & Hardy, 1996).

1.1.2 Creativity in Organizations

The creativity concept definition by different authors in diverse fields makes it to have had different meanings. Different writers have described the notion of innovation in varying areas and will thus have distinct interpretations. Creativity at the individual and organizational level was thus explained. Amabile (1997) defines creativity as a means of generating and implementing new and suitable ideas for a new undertaking. Fillis and Rentschler (2010), for their part, suggest that creativity reflects the ability of the company to formulate meaningful new ideas for problem solving, improving processes, technology changing and exploiting markets. Consequently, firm creativity is an apprenticeship that involves acquiring and using information from the past and current for the better adjustment and exploitation of future occurrences. As suggested by Pretorius et al. (2015), creativity forms part of the business skills required to start the venture successfully. Amabile (1997) states, however, that in its definitions of creativity there is no clear definition of creativity in established organisations, as the definitions do not reflect the role creativity plays in these undertakings. While there is no clarity of what creativity is, the production of ideas can be described as new and practical in every specific field.

Fillis & Rentschler (2010) states that the creativity capacity can be based on processes available within the organization framework that involves idea suggestions and carrying out tests and results such as volumes of ideas, the novelty of ideas and the utility of ideas. Combining knowledge and experiences from different sources, such as various staff groups, is an important process to create new concepts and perspectives. This enhances the creativity and recognition of the opportunities within a firm (Kogut & Zander, 2012). New ideas, which are spread across the company, can be acquired from external and internal environments that influence both the level of creative behaviour and frequency of creativity. Research in the

field of creativity on the firm's level investigated the effects of joint creative thinking (e.g. brainstorming) and group inspiration as well as the organizational climate and support (Bennis & Biederman 2007). Creativity was thus found to also lead to creation of ideas that can be implemented differently or more efficiently and, more importantly, that can add value to the corporate market offer in all functioning fields and processes, such as business, HR, procurement, etc.

1.1.3 Concept of Technology

In the current business context, technology is an important driver of productivity growth amongst service companies. Technological innovation according to Adler and Shenbar (1990) is described in a three-dimensional perspective, namely; the capacity to invest in product innovation with the aim of end user satisfaction; the capability to embrace technological processes for the production of first hand products; the ability to not only improve but also to implement new production and technological procedures for upcoming necessities. Dervitsiotis (2010) defines technology as the introduction of new processes leading to improved quality, quantity and speed of product and/or process introduction into the market. McIvor and Humphreys (2010) argue that the technology platform of organizations consists of an integrated system of capacities, know-how and physical assets to develop a product category. It can therefore be concluded that the company's technical innovation relates to the machinery used to solve problems that affect the real world.

The ability of the organization to innovate is focused on capability, both internally and externally, to generate fresh thoughts and process. As Tidd and Bessant (2009) claim, a technology-development approach of an organisation can be focused on or combined with inner or external influences. Internal resources relate to internal R&D and require strong technical expertise and large financial investment in human and physical resources (Khalil

2010). Alternatively, a company is able to outsource its technology to resolve the internal capacity shortage. Likewise, the disadvantage of external sourcing of technological innovation is that it may lead to loss of key competencies and a long-term source of competitive benefit (McIvor & Humphreys, 2012). Therefore the present study will adopt profitability, sales growth, launch of new products and employee learning and innovative capabilities.

1.1.4 Firm Performance

Borman and Schmit (2015) describe organizational performance as a multidimensional paradigm on which measurement of several factors is based. Aguinis and Kraiger (2012) define the firm's performance as the degree of a firm's attainment to its assignment, vision and objectives that is measured in the form of quality service, consumer fulfilment and increased profits. The performance of the organization can be grouped into the following categories; business performance, financial performance and organizational effectiveness (Naranjo-Valencia, Jiménez-Jiménez and Sanz-Valle, 2016). The organization's success with reference to Koontz and Donnell (2010) applies to the company's capacity to accomplish such routine targets as high profits, new product development, increased share of the market, good financial outcomes and sustainable development in the long term. Moullin (2007) assert that firm performance is a means through which a firm provide value to its stakeholders and therefore is an indication of how well the managers succeed in utilizing firm resources to generate income to the firm.

Various methods to assess the performance or achievement of a company are used. Carton (2004) states that good performance for an organization can be measured by the values it generates for the shareholders. Multiple performance measurements are used in earlier studies. To evaluate corporate performance, Lumpkin and Dess (1996) used an increase in

their revenues, profitability, market share and general performance. Mokhtar et al. (2014) used four dimensions: success of new product, customer retention, return on capital and growth in sales in evaluating the link between marketplace positioning and performance of the corporation. For this research, the balance score card performance perspective measures will be used. It is a global model for measuring performance that Kaplan and Norton (1992) established and mainly aims to transform the task and strategy of an organisation into effective measures. The perspective measures are namely the firms' financial and internal processes, customer focus and learning and growth.

1.1.5 Insurance Companies in Kenya

Kenya's insurance sector is subject to the Cap 487 Insurance Act, which is controlled by the Insurance Regulatory Authority (IRA) whose main responsibility is the formulation of policies governing the operations, licensing and supervision of all insurers in Kenya. There are 54 insurance companies, 28 health insurance providers, 5579 agents, 211 insurance brokers and 129 service providers, including loss adjusters, settlement officers, policy analysts, risk managers and insurance audit supervisors. The Association of Kenya Insurers (AKI), the Association for Insurance Brokers of Kenya (AIBK) and the Medical Insurance Practice Association of Kenya (MIPAK), for instance, are associations that are part of the insurance players.

Kenyan insurance companies in the recent past have experienced increased level of competition due to the increased number of firms that have joined the insurance business as well as foreign insurance companies and investment firms. Some of the foreign firms that have acquired a stake in the local insurance firms include Saham insurance, Prudential PLC, Pan African Insurance Holdings, Metropolitan International Holdings and LeapFrog II

holdings. With the coming in of the foreign insurance companies and the influence of mobile technology in the service offering, the competitive pressure to the local players in the insurance industry has become intense. Coupled with low insurance penetration in Kenya at around 3.4 percent of GDP (general insurance) and 1.9 percent (life insurance), (IRA 2018), there is need for insurance companies to be innovative, creative and adopt relevant technologies in their service offerings.

The application of technology in insurance companies in terms of adoption of new processes has led to improved quality and quantity of products as well as speed of processes. The introduction of mobile technology in form of applications which enable purchase of insurance products such as travel insurance, car insurance and medical insurance has led to convenience and uptake of more insurance products and an increase in insurance penetration. Clients are also able to view status of their policies as well as upcoming products. They are also able to conveniently withdraw from their money market fund accounts directly to their mobile money platforms. Innovation in insurance companies can manifest itself in form of a first-hand product, technology, service or system of administration. There has been an increased need for the insurance companies to offer tailor made products to different market segments. The introduction of health insurance policies for the low income segments has increased the general insurance book while ensuring quality healthcare for all. Creativity is necessary for the insurance companies for improved performance and to maintain a competitive edge. It is becoming increasingly important for insurance companies to form strategic alliances so as to increase asset base in accordance to the requirements of the regulators.

Additionally, they need to form partnerships with companies which are widely spread regionally and globally and have a significant market share so as to take advantage of areas

where they have not specialized for example the recent merger of UAP insurance company and Old Mutual Life Assurance Company in which the former specializes in general insurance and the latter specializes in life insurance. The insurance companies need to be creative in payment of claims, underwriting of policies within a short period of time and increased awareness of insurance products so as to increase profitability.

1.2 Research Problem

Innovation capability, creativity and technology are three linked concepts and phenomena in an organization setting that have been at the principal point of the international business growth during the last two decades (Richards, 2012). This is because for a firm to come up with product or services that meets the needs of its target customers, there is need for its internal process to encourage innovation, creativity and at the same time employ technology based processes that are efficient.

Insurance firms in Kenya have continued to witness increased level of competition as a result of the increased number of market players from new indigenous firms and foreign firms that have entered the local market through acquisition strategies (IRA, 2017). In addition, the penetration rate of insurance products in Kenya stands at 2.71%, which though higher than other countries in Sub-Sahara countries, is below the global average of 6% (AKI, 2017). This calls upon the insurance companies to employ new technology in its service provisions. Adoption of mobile money technology in more product offerings might result in positive insurance firms' performance. The use of mobile platform in payment of regular premiums and checking the status of policies provides convenience which is expected to increase uptake of insurance products.

In the present day environment in which organization product life cycle is short and new products keep on being introduced faster into the market, the firm performance will mostly be determined by its capacity to have creative staff that will be able to come up with products that meet the customer demand (Kull et al., 2012). By being innovative and coming up with tailor made products for the middle and low income earners, the insurance industry is expected to experience growth through uptake of more products.

A number of studies have investigated collectively or individually the nexus between organizational innovation, creativity, technology and performance. Khedhaouria, Gurău and Torres (2015) researched on the innovation, self-effectiveness and small enterprise performances of 256 small-scale french businesses. The results showed that self-effectiveness influences company efficiency positively, but creativity and company achievement are entirely influenced by entrepreneurship orientation. Andersson, Dasí, Mudambi and Pedersen (2016), sought to explore how important ideas in technology, innovation and knowledge-sharing are at a global level. The findings strengthened earlier conclusions about the multi-level construct of knowledge that resides in the individual's minds and therefore requires a full indulgence of the processes of information acquisition and analytic level integration of an individual with more aggregate levels. Serrat (2017) sought to develop ways to harness workplace creativeness and innovativeness with the outcome indicating that creativity is a crucial component of the process of innovation and that innovation thus increases sustainability and the market value of firms.

Ndegwa (2015) investigated institutions at the firm-level, organizational learning, knowledge sharing and the general performance of top companies in Kenya which are medium-sized. He found out that organizational creativity explained an insignificant effect on customer satisfaction and thus concluded that organizational knowledge creation had an insignificant

effect on gratification of the consumer. Similarly, Kombo (2015) investigated the nexus between strategy, knowledge innovation, organizational characteristics and the Kenyan manufacturing firms' performance. According to the results, the impact on performance of the knowledge strategy relies on the interactions between organizational characteristics and innovation, which means that knowledge strategy must be harmonized with situational factors to improve performance. Mutinda (2017) sought to establish links between knowledge management and innovation between Kenya's commercial banks. The findings were in line with the theory; in that knowledge management was found to enhance innovation among these banks.

Drawing from studies described above, we may infer that minimal studies have concurrently explored the liaison between technology, creativity, innovation and firm performance simultaneously. Similarly, major studies in the developed world, whose markets and regulatory frameworks differ from those of a country such as Kenya, were also conducted. This research tried to find the present gap by responding to the following question: what is the impact of technology, creativity and innovation on insurance companies' performance in Kenya??

1.3 Research Objectives

The main objectives of the research were to;

- i. To determine the innovation, creativity and technology adopted by insurance companies in Kenya;
- ii. To establish the influence of innovation, creativity and technology on the performance of insurance companies in Kenya.

1.4 Value of the Study

The study findings add value to the furtherance of theoretical underpinnings of organizational configuration of its resources; specifically the resource advantage theory and the dynamic capability theory by paying attention to the context and the innovation and creativity practices in a growing economy like Kenya. Empirically, this research will further be an addition to the budding writings on innovation of the organization and creativity, most specifically in the service sector in developing countries like Kenya. The research offers information to researchers and current as well as potential scholars on the challenges faced by organizations in developing appropriate training in the service industry. This would also expand the current knowledge on the organization creativity, innovation and technological capabilities on performance of the service organization.

The need for insurance companies to innovate products with the customer needs in perspective while adopting to modern technological processes in order to enhance their performance has gained promise. The research was therefore able to establish how an organization's creativity and innovation can influence firm performance. Managers of companies are able to identify the innovation types that are commonly applied by the insurance companies and also how creativity of its employees can influence the performance of their firms.

For policy, the research is of importance to policy institutions such as the National Treasury, Association of Kenya Insurers, Insurance Regulatory Authority and potential investors in the insurance sector as they are able to define the role of creativity of the organization and innovation on insurance firms' performance. This is expected to facilitate, for example, the looming of appropriate guidelines on developmental and training plans so as to increase the

organization realization of better performance. Regulators will therefore be able to discover appropriate incentives to shore up the organization creativity and innovation activities.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this section, the discussion is about the literature linked to the research objective which is to establish the liaison between creativity, innovation capability, technology and performance of Kenya's insurance firms. The section covers theories that underlie the study which encompasses the resource-advantage (R-A) theory and dynamic capability theory. Further, the chapter will discuss the relevant empirical studies in the subject area and also provide a conceptual framework which will direct the researcher in differentiating the study variables.

2.2 Theoretical Framework

Davidson (2008) asserts that a theory is a well discussed set of ideas intended to describe a phenomenon by denoting variables of the principles that link the variables to one other. It refers to a pool of interrelated concepts which are theory based. The study will be anchored on two theories, namely; resource advantage and dynamic capability theories.

2.2.1 Resource-Advantage (R-A) Theory

Hunt (1997) advanced the R-A theory which suggests that a company's primary purpose is to attain superior financial performance. This implies that firms aim to exceed some set target or benchmark. The firms' resources that create value are both heterogeneous and perfectly immobile. Morgan (1985) notes that a company can have heterogeneous resources including a knowledge base repository on markets and other types of indigenous expertise and also mobile resources which are considered to be the resources that can only be traded, but are of greater value within the company. Creating and innovating new products and being able to transform market intelligence into new field opportunities cannot be readily accessible on the market organizational competence. Helfat et al., (2007) reinforces that one of the indigenous

resources in a firm is innovation capability that enables a firm to increase its resource status. In the concept of RA theory, technology therefore performs a very crucial role in order in achieving competitive advantage as well as better company performance.

The resource advantage theory proposes that a company's improved performance is based on a comparative resource advantage, which might take the form of either tangible and/or intangible resources available to a firm associated with improved efficiency in the company offerings that have value in certain segments of the market (Lawson & Samson 2001). Therefore, one can see that the competition situation in a specific industry results from a continuing cycle consisting of companies struggling for a fair advantage in assets which deliver competitive advantage thus better organisational performance in the marketplace. North (2010) further asserts that the competitive processes in a market is a result of five environmental factors, namely; the resources that a firm draws from the society, competitor actions, the institutions in the society that structures the "rules of the game", public policy decisions and the behaviours of consumers. It is also noted that that the actions of an organization to the competitive pressures in the market might result in a proactive innovation in which the organization initiates innovation programs in response to particular competitive forces or volatile innovation, whereby organizational innovation is prompted directly by competition (Winter, 2007).

Hall (2005) emphasizes that the R-A theory appreciates the creativity and innovation capacities of people and organizations and that these resources lead to economic change. In particular, creativity produces financial dynamism by producing proactive technologies that add to effectiveness and/or efficiency, leading to competitive advantages in marketplaces and hence better results. In addition, capacity, in the context of innovative product development, can greatly assist in developing effective consumer resolutions so as to create competitive

advantage and superior financial gain. Innovation is concerned with creative or new solutions for issues or needs according to Morris and Sexton (1996); and specifically with organizations requiring large product distribution in a broad geographical area.

2.2.2 Dynamic Capability Theory

Pisano and Teece (1994) advanced the dynamic capability theory (DCT). It was further refined by Shuen, Teece and Pisano (1997) and Eisenhardt and Martin (2000). Firm dynamic capabilities are external and internal resources that support an organization in integration, learning and reconfiguring its assets and process to achieve improved performance. The theory predisposes that differences in the firm level as well as in capabilities are deep-rooted on their asset positions such that a firm's future position to change its operating condition is determined by their current stock of capabilities. The organizational flexibility and adaptabilities will also be shaped by the business processes such as management structures, resource allocation procedures and managerial systems. Similarly, a firm's capability will be determined by a path taken such that the power of a firm to identify and engage in capacity building, leading to competitive advantage, is an important resource.

The dynamic capability view explains the important role of capabilities to reconfigure resources that a firm has at present so as to cope with the ever dynamic environment. (Eisenhardt and Martin, 2000). Therefore, in business environments that are fast-changing, dynamic capability view explains the critical place of dynamic capabilities in explaining an organization's level of competitiveness (Barreto, 2010). This is because, dynamic capabilities are considered as a transformer for translating resources into better performance. Laursen and Salter (2014) established that by incorporating past practices in previous markets, a firm can raise the chance of succeeding in a fresh market hunt and that the capacity to integrate

industry technology during product or service development is an important dynamic capability for new technology-based organizations.

Argote and Greve (2007) argue that transforming an organization through processes such as organizational learning, strategic discussions and decision-making, and breaking away from path dependences may benefit substantially from innovative activities conducted by the management team. Therefore innovation capability can be linked to the basic dynamic capabilities sensing, seizing, and recombination and reconfiguration for monitoring business environment and technology developments, and for an appropriate response action through resource transformation. Similarly, Zhou and Wu (2010) suggest that technological flexibility, involving the flexible application and reconfiguration of resources, reinforces positive influence of innovation capability and thus enhances organizational performance. Therefore, in dealing with dynamic business environments, organizations ought to swiftly react to the market and the strategic manoeuvre applied by competitors and this can best be achieved if the management has a long-term perspective of a firm. As the dynamic capability theory suggest, the key to firms' competitiveness is to reconfigure resources that a firm has at present to cope with the highly changing environment

Therefore, creativity, innovation and technological capability enables a firm management to quickly predict about the future market conditions that are significant and further manipulate them, factor out complains and take on opportunities before competing firms or identify chances of expected minor challenges before developing into major problems that may jeopardise existence of the firm (Battistella, 2014). Dynamic capability theory advocate for firms to make a committed effort to discover potential technological change, since in most cases, they tend to focus more on internal success and from strengthening of factors that

facilitated the success of organization in the past, at the expense of future firm position (Zhou & Wu, 2010).

2.3 Empirical Studies

The benefits of creativity, innovation and technological capability of firms on organizational performance have been discussed by various scholars particularly in different sectors of economy. Strauch (2009) conducted a study on incentives for creativity based on the studies of authors who research on the subject including Kao, Alencar, Csikszentmihalyi, Amabile, Sternberg and Lubart. The author organized what she called strategies to stimulate creativity in six dimensions: physical environment (resources), employee, rewards, organizational environment, management support and organizational structure. The research findings established that organizations employ different strategies to stimulate creativity in different ways, varying in degree of use according to the company. The findings reveal the need for organizations to adopt their own unique ways of shoring up creativity to be able to be able to compete, without a following a prior recipe for another organization but a suggestion for adaptation to each case.

Lawson and Samson (2001) also note that creativity management can be viewed in its organizational capacity format. They also asserted that great firms are investing and building upon this ability to carry out efficient development procedures. Innovation management also contributes to developments in fresh products, facilities and procedures as well as better outcomes for company performance. On this basis, the authors propose the introduction of SIMS-standardized information management system as a form of organizational innovation capacity as a management system or mechanism for innovation that is implemented according to the standard guidelines and requirements. It is therefore not permanent since it is a systemic leadership scheme. It is instead dynamic, as it is often checked and improved

through a constant methodology of enhancement. The innovation guidelines can be seen in the format of the scheme of organizational learning just as ISO 9000 and ISO 14000. The inference can therefore be drawn that the willingness of an organization to adapt and adjust will probably play a leading part in influencing a company's internal performance.

The presence of ties between company quality and consumer innovation and a longitudinal analysis to determine how product innovation contributes to corporate regeneration and thus be considered a competitive resource has been explored over time by researchers Bönnte (2003); Hall et al (2008) and Ortega-Argilés et al. (2009). Kostopoulos and Spanos (2006) argues, that the result of the choice, acquisition and implementation of resources is competitive advantage that is sustainable and that this is the principle of heterogeneity in the resources of companies. The scholars also points out that the existence of distinct organisation-based assets and innovative skills has a positive influence on the innovation process outcome.

Aragba-Akpore (2016) researched in Nigeria's banks' application of innovation and information technology, noting that IT is increasingly becoming the pillar of regeneration of the banking sector in Nigeria. In his efforts to develop sophistication in the banking industry, he cited several system innovations for instance Diamond Bank Limited's Diamond Integrated Bank Services (Dibs) and All State Bank Limited's Electronic Smart Card Account (Esca). The scholar notes that Nigeria's banking industry has mostly been influenced by IT adoption, and that Nigeria's IT budgets are much higher than any other sector. He argued that online banking in Nigeria was facilitated by Internet banking, as evidenced by some websites. The findings also indicate that the banks ' innovation capabilities had an influence on the country's bank performance. The state bank, which has lagged behind in developing appropriate online systems, has decreased their performance in the long term..

Aduda and Kingoo (2012) analyzed ties between e-banking and monetary performance in Kenya's banks and discovered that the relationship between electronic banking and monetary performance is favourable. The study did however have a research gap because the three categories of innovation in technology did not differ between independent customers, assisted customers and transparent customers' technology. Nyamwembe (2011) carried out a case study of Kenya Commercial Bank (KCB), on variables which prevent the implementation of technological innovation by commercial banks in Kenya. He established that internal politics, change resistance and fear of cannibalization prevented adoption of the prevailing products. Nonetheless, the effect of technology and innovation on monetary performance of commercial banks has not been investigated.

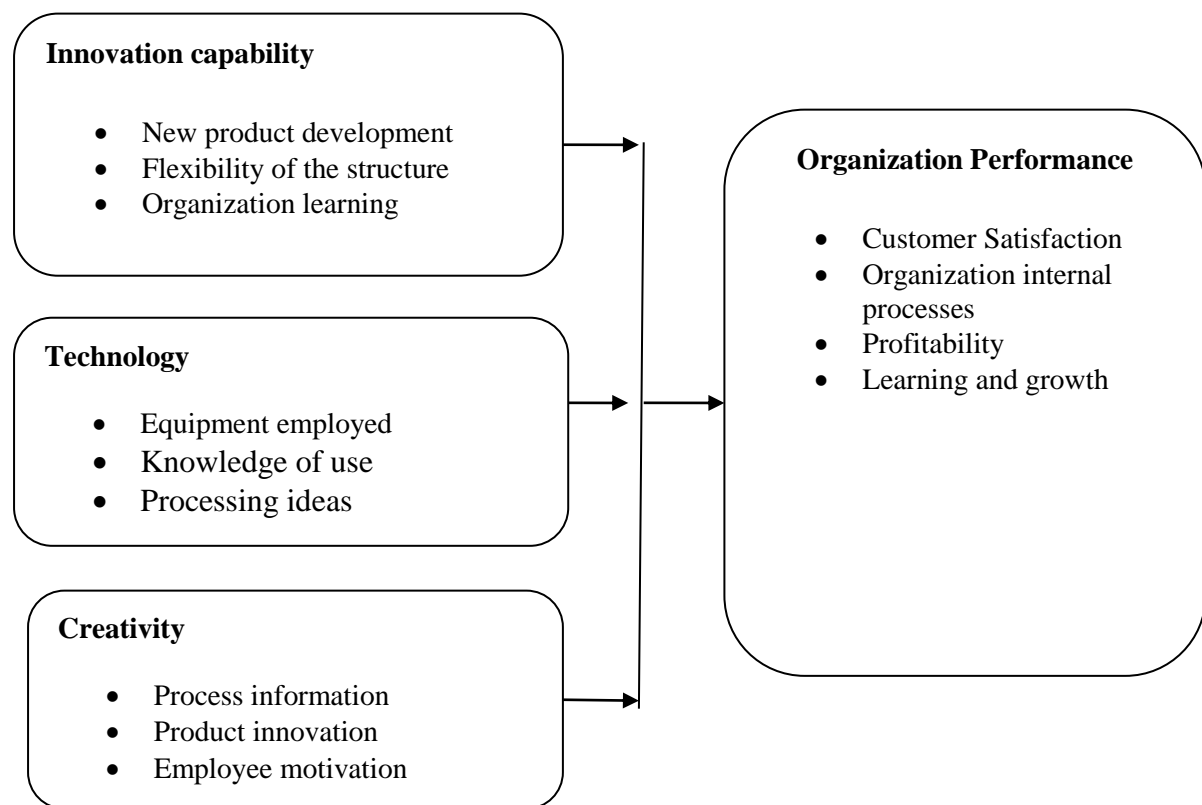
The field of innovation and company performance has been extensively researched. Innovativeness in business is related to positive corporate results (Derfuset al., 2008; Ferrier et al., 2015) (Roberts and Amit, 2003). However, majority of these studies have focused in mature or developed markets and other industries, apart from the insurance sector. This is mainly because, considering the dynamic setting, each company in mature markets should discover methods to manage its business. There is insufficient study into this particular field in the insurance sector for many maturing and developing markets. In addition, most of the studies have looked at innovation capability, creativity and technology in establishing their independent effect on performance. A joint effect of the variables on Kenya's insurance firms performance is lacking and therefore this research is meant to fill this gap.

2.4 Conceptual Framework

The literature review shows that technology may influence an organization's performance. Therefore, it is vital for us to comprehend the impact of creativity, innovation capability and technology on organizational performance so as to appreciate innovation technological

practices. The literature reviews show that the innovation capability, creativity and technology are key dimensions that may influence organizational performance. The connection between the predicting and outcome variables is shown in Figure 2.1.

Figure 2. 1 Conceptual Framework



Independent Variable

Dependent variable

(Source: Researcher, 2019)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section addresses the techniques employed by the researcher for the entire study. The chapter further expounds on the study design, study population as well as data analysis, data collection and presentation procedures.

3.2 Research Design

A cross sectional descriptive survey design was adopted in the research. In accordance to McBurney and White (2009), descriptive study design describes the exact situation on the ground. This design identifies every phenomenon in relation to what, when and who appears in the study (Sekaran & Bougie, 2009). Descriptive research design also enhances validity, consistency and generalizability of the study findings and involves quantitative as well as qualitative collection and subsequent analysis of data.

The design was considered appropriate, since the emphasis was on examining the possible relationship and how creativity, innovation capability and technology affect the output of Kenyan insurance companies. Descriptive study design is a scientific approach that includes observation and definition of the nature of a subject without affecting it at all.

3.3 Population of Study

The entities or enterprises that the researcher would like to research on is referred to as a study population (Sekaran & Bougie, 2010). Its definition is based on the availability of elements, geographical boundaries, timeframes and theme of interest. This means that the population of a study should be clearly defined and be identifiable.

The 54 insurance companies listed in the Kenya's Insurance Regulatory Authority were the target group or population for this study (Appendix 2). At the end of June 2019, all insurance companies were in operation.

3.4 Data Collection

Collection of primary data was done from either business development or operations managers from the insurance firms. The target respondents were deemed to be versed with the insurance firm's innovation capabilities, creativity and technology that exists. The data instrument for data collection was a questionnaire as a result of the favourable circumstances it has for the research including saving time, enhancement of privacy and being a good primary data source. A four part questionnaire was used. Section A represented the organization demographic evidence; section B covered organization innovation capability and creativity, section C focussed on technology and section D sought to link the above independent variable to the insurance firms' performance. The questions were assessed in a 5-point Likert scale where 1= strongly agree; 2= disagree; 3= moderate extent; 4= agree; 5= strongly agree.

Distribution of the questionnaire was done to the respective insurance firm's headquarters having sought permission from the HR departments. For a period of one week, the researcher provided the target respondents with the questionnaire, which was then collected by the researcher. The questionnaire contained closed and open questions. The closed ended questions offered consistency in responding to the inquiries while open ended questions offered objectivity to respondents by enabling them to give their own unprejudiced perspectives.

3.5 Data Analysis

Analysis of the data was done by means of descriptive statistics measures, namely; percentage, mean and standard deviation not only to describe but also provide an insight meaning of the responses. This is mainly because it is considered a better measure of presenting the outcomes of the study. Lastly, with the aim of establishing the correlation between the variables, a correlation and regression analysis coefficients was generated.

The regression equation will take the form:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$$

Where

Y	-	Performance
β_0	-	Constant term,
X_1	-	Innovation Capability,
X_2	-	Creativity,
X_3	-	Technology
ε	-	Error Term

In addition, tables were used to present the outcomes of analysis.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This section presents the outcomes of the study. Descriptive analysis is presented in percentage, mean and standard deviations. In addition, regression analysis was conducted so as to establish the significance of the model and further to obtain coefficients that will help determine the association between the predictor and outcome variables.

4.2 Response Rate

In the present study, the population of interest comprised of 54 Kenya insurance firms registered by IRA and in operation as at the end of June 2019. In each insurance firm, the researcher distributed one questionnaire. Out of the 54 questionnaires distributed, an aggregate of 42 questionnaires were duly filled thus representing 77.7% of the total number of questionnaires. The response rate was therefore considered suitable to draw inferences and recommendations on the research topic. According to Mugenda & Mugenda (2003), 50% of the response rate is sufficient, 60% is considered good, whereas 70% is very good. Bailey (2000) also asserts that a response rate of 50% is considered to be adequate while a response rate of above 70% is very good. The response rate of 77.7 percent is very good with respect to the above recommendations.

4.3 General information and Bio Data

For this study, the researcher focused on the insurance firms' ownership structure, aggregate workforce and the organization age. The staff members will help in determining the size of an insurance firm since it is believed that the higher the number of employees, the larger the organization. Responses have been abridged in table 4.1 below

Table 4. 1 General information and bio data

Ownership	Frequency	Percent	Cumulative Percent
Locally Owned	20	47.6	47.6
Foreign	6	14.3	61.9
Both foreign and locally owned	16	38.1	100.0
Total	42	100.0	

Employees	Frequency	Percent	Cumulative Percent
200-300	6	14.3	14.3
301-400	12	28.6	42.9
401-500	13	31.0	73.8
Over 500	11	26.2	100.0
Total	42	100.0	

Age	Frequency	Percent	Cumulative Percent
Less than 10 years	5	11.9	11.9
10-20 years	10	23.8	35.7
21-30 years	16	38.1	73.8
31-40 years	7	16.7	90.5
over 40 years	4	9.5	100.0
Total	42	100.0	

From the study findings; less than fifty percent that is 47.6% of insurance firms in Kenya are locally owned while 14.3% are owned by foreign investors. 38.1% are owned both foreign and locally. In addition, the study established that 28.6% of insurance firms have between 301-400 employees, 31.0% have 401-500 employees while 26.2% have more than 500 employees. The implication is that insurance companies in Kenya are majorly medium sized organizations based on the total number of employees. With regard to length of operation, the study determined this variable with the total period of time in years that an insurance company has been operating. As a result, the study found that 23.8% of insurance firms have been in operation for between 10-20 years while 38.1% have been operating between 21-30 years. More than 25% of insurance firms; that is 26.2% have been in existence for more than three decades. With this regard, the study can attest that insurance companies have been existing for a significant period in which there has been rapid technological changes and innovative opportunities.

4.4 Innovation, Creativity and Technology

As a result of increased technological advancement in the current market, insurance firms in Kenya have continued to witness increased levels of competition from local firms and foreign firms. In order to remain competitive, these firms have devised ways of improving the organization's performance through innovation, creativity and technology. The measurements were statements in which the respondents were to rate them using a Likert scale of 1-5 in which 1 represented very small extent while 5 represented very large extent. The scores that were greater than 3 represented the respondents' agreement with the statements while those responses which were less than 3 represented low agreement with the statements. A standard deviation that was greater than 1 represented a high respondent's variation with the statements.

4.4.1 Innovation

Innovation capability is explained by the firm's capacity of innovation or differentiation of either products or services. The researcher sought to investigate the insurance firms' innovation practices as illustrated in Table 4.2

Table 4. 2: Innovation

Statement	N	Mean	Std. Deviation
The training and development of people is a strong commitment in the organization	42	4.29	.774
There is clear communication of our innovation strategy in such a way that everyone knows the improvement targets	42	4.19	.707
People clearly know that competitiveness of the organization is achieved through innovation	42	4.14	.783
We have a good understanding of our customers/end-users needs	42	4.12	.832
Generally our innovation projects are finished within budget and in specified time limits	42	4.10	.726
There are clear processes to assist employees to effectively manage new product production from design to release	42	4.00	.663
Time for reviewing projects is always allocated with the aim of continuous performance improvement	42	3.93	.838
Overall mean	42	4.11	

From the findings, the study discovered that to improve innovation capacity of individual employees, insurance firms have invested generously on training and development of people (M=4.29) while communicating clearly the organization innovation strategy to all the stake

holders (M=4.14) hence improving employee innovation targets. In addition, the study also found that innovation projects are finished within budget and in specified time limits (M=4.10) implying that implementation of innovation process is cost effective thus increasing profit margin. It was also found that there are clear processes to assist employees to effectively accomplish innovation of products starting from design all the way to release (M=4.00) while at the same time reviewing the entire project regularly to improve performance (M=3.93). The low standard deviations imply that there was minimum variance in the responses.

4.4.2 Creativity

Creativity is an essential component for innovation. Innovation and technology oriented firms encourage creativity among the members of staff. One of the main aims of the study was to determine the degree to which insurance firms have implemented measures that enhance creativity in the workplace. The findings on the insurance firms' creativity is as indicated below in Table 4.3.

Table 4. 3: Creativity

Statement	N	Mean	Std. Deviation
The company develops suitable schedules and plans to implement new ideas	42	4.33	.650
Employees of the organization develop new and realistic ideas for improving efficiency	42	4.33	.687
The organization does not hesitate to take risks	42	4.31	.749
The insurance company encourages employees to come up with ways of achieving goals	42	4.14	.783

Staff members are encouraged to be a good source of creative ideas	42	4.14	.683
The work force is encouraged to devise new ways of increasing quality	42	3.93	.867
The organization searches out for new technologies, processes and techniques	42	3.79	.813
Overall mean	42	4.139	

The study findings shows that in quest of addressing creativity in the organization, the management has developed suitable schedules and plans to implement new ideas (M=4.33) thus encouraging employees to develop new and realistic ideas for improving efficiency (M=4.33). In addition, insurance companies encourages employees to come up with ways of achieving goals or objectives (M=4.14) and new ways of increasing service quality (M=3.93.). Furthermore, organizations searches out for new technologies, processes and techniques (M=3.79) implying that insurance firms update their systems with the current technology on frequent basis.

4.4.3 Technology

Technology is the ability to innovate products with the existing market requirements in mind. It is the implementation of technological processes for product innovation and in future, adoption and development of first-hand technology and manufacturing processes. The researcher's aim here was to determine how the insurance firms had embraced technology in their operations as represented in Table 4.4.

Table 4. 4: Technology

Statement	N	Mean	Std. Deviation
The insurance company outsources technological services that it does not have internally	42	4.50	.634
The insurance company has a combined data processing and communication system that enables it to react fast to changes in the operating environment	42	4.26	.798
The organization continuously builds on its existing IT systems in response to the market demands	42	4.19	.594
The introduction of new technology is aimed at reducing the workload of insurance employees	42	4.12	.705
The insurance company employees are well prepared before introduction of a particular system	42	4.07	.745
The introduction of new technology in the organization is gradual	42	4.05	.661
Overall mean	42	4.20	

The study findings shows that in advancing technological perspective, insurance companies outsource technological services that it does not have internally (M=4.50) and that there is combined data processing and communication systems that enables firms to react fast to changes in the operating environment (M=4.26). On employee perspective, the study established that employees are well prepared before introduction of a particular system (M=4.07).

4.5 Organization Performance

Various methods of assessing organization performance or achievement based on the present study were designed and shared with the respondents. The findings are illustrated in the table below. The results depicting the performance position of the insurance firms is presented in Table 4.5.

Table 4. 5: Performance

Statement	N	Mean	Std. Deviation
Increased savings on cost	42	4.19	.773
Improved effectiveness	42	4.14	.814
Improved quality of products	42	4.12	.739
Increase in market share	42	4.02	.715
First-hand market breakthrough	42	4.00	.698
Enhanced employee motivation	42	4.00	.625
Increased turnover	42	3.98	.975
Overall mean	42	4.064	

As shown in Table 4.5, as a result of adopting innovation capability, creativity and technology advancement, insurance firms in Kenya have realized improvement in quality of products and services (M=4.19), increased market share (M=4.14), increased efficiency (M=4.12), enhanced employee motivation (M=4.02) and new network opportunities (M=4.00).

4.6 Regression Analysis

As part of achieving the study objective, determining the relationship among the variables was an important goal. With this regard, the analysis was done using Statistical Package for Social Services, SPSS V. 21.0 to work out multiple regression analysis. The coefficient of determination calculates the degree to which deviations in the independent variables verify deviations in the outcome variable or the variation percentage in the outcome variable that is descriptively done by all the explanatory variables.

4.6.1 Model Summary

Table 4.6 displays the regression test model overview, in which R square, adjusted R square and standard error of estimate are show cased.

Table 4. 6 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.645 ^a	.416	.370	.555

a. Predictors: (Constant), Technology, Creativity, Innovation

b. Dependent Variable: Performance

The model description of the regressed analysis variables is shown in Table 4.6 above. The coefficient of correlation (R) reflects the degree and magnitude of the interaction between the predictor and outcome variables. Thus, the correlation factor in this model is 0.645, which indicates that technology, innovation, creativity and organizational performance are in positive correlation. The R Squared is the determination coefficient that demonstrates the magnitude of the total factor variance in the dependent variable. The R squared statistics indicate the performance of a system which points towards the estimation of the real data points by the regression model. The R square is 0.416, which means that the model is

considered good and that the real data can be predicted by it. The determination coefficient of 0.416 means that the changes in an independent variable describe 41.6% of the variance in organization performance.

4.6.2 ANOVA

Analysis of variance was used to determine the significance of the model. Low F statistic value indicates low variance in the data values. The significance level less than 0.05 suggests that the model is significant to predict the outcome variable.

Table 4. 7 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.313	3	2.771	9.010	.000 ^a
	Residual	11.687	38	.308		
	Total	20.000	41			

a. Predictors: (Constant), Technology, Creativity, Innovation

b. Dependent Variable: Performance

The model significance was 0.000, which is less than 0.05. The implication is that the model is statistically relevant and that independent variables objectively forecast the country's insurance companies' performance. According to the results, creativity, technology, capacity for innovation as well as performance among Kenya's insurance companies are all positively linked.

4.6.3 Regression Coefficients

A regression coefficient is used to determine the degree of the impact that every individual independent variable may have on the outcome variable. In reference to Table 4.8 below, the

variable coefficients in the regression model, the t-values of every predictor variables as well as the degree of level of significance.

Table 4. 8: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.324	.909		-.356	.724
Innovation	.304	.118	.341	2.569	.014
Creativity	.488	.127	.493	3.844	.000
Technology	.238	.123	.264	1.931	.061

a. Dependent Variable: Performance

The regression model is presented as,

$$Y = -.324 + .304X_1 + .488X_2$$

The regression equation shows that without changing technology, creativity and innovation capability, organization performance reduces by -.324. A unit increase in innovation capability affects organization performance by a factor of 0.304 whereas a unit increase in creativity capability affects performance of the organization by a factor of 0.488. The results shows that technology is insignificant and hence a weak predictor variable and hence not included in the regression model. This therefore shows that innovation, creativity and technological capability and organization performance are positively linked.

4.7 Discussion of the Research Findings

The objectives of the study were to find out the innovation, creativity and technology approaches implemented by Kenyan insurance firms as well as establishing their impact on organization performance. Innovation and technology are significant contributors to organization performance. Creativity is mostly involved in the generation of change in

product. As a result of working in teams, the employees are constantly engaged in learning new knowledge and skills which are the necessary requirements needed by the organization to achieve timely goals (Amabile, 1988, 1996). The descriptive statistics shows that more than 85% of insurance firms have local ownership as well as more than 300 employees. In addition, the insurance firms which have been operating for more than a decade are at 88.1%.

The study found that technological capability is essential in improving performance of the organization thus calling for the management to establish a sturdy effort devoted towards development and training programs of employees so as to effectively implement the technological changes. The study found that increased technological capability within the organization improves internal operations and efficiency thus enhancing the organization's performance. Procedures such as advertising, manufacturing and human development have made incredible changes with the aid of technology. The research results coincide with Kimani (2017) which discussed the impact of introduction of ICT and organizational implementation strategies on delivery of client services and performance of Kenya's insurance sector. The findings were that there is a positive link between ICT and the organization's performance.

On employee creative capability, the study found that creativity enhances more innovative ideas thus improving the organization performance. The result found that it does take some processes to get new knowledge but in due time an individual is able to come up with new techniques which tends not only to be creative & efficient but also having a positive relation on the organization performance. The research agrees with Pretorius et al. (2015) in that the relationship between workers' creativity and company performance is significantly positive. The results indicate that the creative potential with a p-value of (0,000) has a substantial influence on the performance of Kenya's insurance companies.

Innovation capability was seen in insurance firms as a result of gradual introduction of new technology among the firms. The study findings confirms Hollanders and Evangelista (2012) on capacities and pitfalls of organizational and promotion innovation on European enterprises which found out that in order for a company to achieve economic success and a competitive advantage, the organizational and advertising innovations were steadily implemented. The study also found that innovation capability enhances continuous adjustment of the existing information technology system to suit the prevailing market demand. With the significance value of 0.014, it implies that innovation capability has a major impact in the performance of Kenya's insurance companies.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

In this section, the conclusions as well as summary from the policy guidance offered and also from the observations are outlined. The inferences and suggestions were drawn to fulfill the research goals.

5.2 Summary of the Findings

The main aim of the study was to evaluate Kenya's insurance companies' innovation, creativity and technology and their effect on organizational performance. It has been observed that workplace learning, development and training are highly emphasized to improve the potential of the company's innovation capacity (M=4.29). As a result of creativity, insurance companies have established processes to effectively manage product innovation from concept to delivery. Creativity was manifested by the insurance companies encouraging employees to come up with ways of achieving organization goals and objectives by being creative and innovative (M=4.14). In addition, the study established that insurance firms have developed appropriate strategies and time schedules to put new ideas into practice. On the other hand, technological capacity among the insurance firms has been adopted to a greater extent following the responses that insurance firms continuously build on their existing IT systems in response to the market demands (M=4.19). Additionally, it was found that insurance companies have a combined data processing and communication system that enables them to react fast to changes in the operating environment.

A positive link between innovation, creativity, technology and performance was established given $R=0.645$. Correspondingly, the study findings propose that innovation, creativity and technology contributes 41.6% ($R^2 =0.416$) to the overall organization performance. In

general, the conclusion made about the regression model was that it was significant and good of fit to predict the study variables because the p-value ($p=0.000$) is less than 5% significance level. Outcomes from the regression analysis also show that innovation ($p=0.014$) and creativity ($P=0.000$) were significant in influencing organization performance while technology ($p=0.061$) was found to be slightly to above 5% significance level.

5.2 Conclusion

From the summary discussion above, the study concludes that creativity and innovation are significant factors influencing Kenya's insurance organization performance. The study proved that as a result of technology, insurance firms have devised ways of integrating data hence having combined data processing and communication system that enables it to react fast to changes in the operating environment. Additionally, introduction of new technology within organizations was found to have an effective impact on performance therefore gradual introduction of new technology in line with the changing environment would be a plus to the organization. The main driver of technological changes was the fact that insurance firms aimed at reducing organization work load and improve efficiency.

Further, creativity was found to be a critical feature of innovation. As a result, the study concludes that organizations encourage employees to be creative by supporting their new ideas. Therefore in the end the study came to the conclusion that employees' creativity is most important if the firm wants to maximize its revenue in less efforts, so the employee should be empowered to take any creative step so that the firm's goodwill increases at small or large scale. it is important to keep in mind that if the employees are given freedom they would utilize their skills to their utmost level and the organization will be more profitable.

5.3 Recommendations for Policy

The present research is a justification of the fact that the role of innovation strategy, creativity and technology on Kenya's insurance firms' performance cannot be underestimated and has contributed to higher insurance performance in the country. Specifically, the research recommends that it is of utmost importance that creativity is embraced as an organization culture to support creative employees so that more innovation can be realized. Insurance firms should organize ICT platforms where new technological innovations can be developed through brainstorming. Further, they should enhance gradual introduction of new technology. The firms should also allocate more resources towards technology advancement to facilitate combined data processing and communication system that will enhance fast reaction to changes in the operating environment.

Insurance firms should internally engage their staff in the innovation process and also engage expert consultants to ensure that the innovation process becomes a success. Further, they should ensure that creativity is supported at all cost by giving employees enough time and resources to develop new and realistic concepts for performance improvement.

5.4 Limitations of the Study

The current study's limitation was mainly on the scope and study design whereby concentration was basically on Kenya's insurance companies. Other industries exist where innovation, creativity and technological capability may influence performance. The study was also limited to descriptive research design. It could have been more convenient if the study could have employed a case study. In addition, technology is a factor that changes every day. With this regard, the study findings are limited to the prevailing technological impact.

Further, the study was also limited to a smaller sample size. A greater sample size could have been better since the larger the sample the greater the population representation thus

enhancing population characteristic within the sample. Another limitation was that there were only three independent variables that predicted organization performance. There are other factors that influence organization performance apart from creativity, innovation and technology. Furthermore, the time allocated for the present study was limited. It was a challenge getting interviews with the senior management because of their busy schedules thus requiring more time allocation for data collection. To counter this, appointments had to be sought and scheduled, sometimes outside the official working hours. However, despite these limitations, the researcher ensured a comprehensive data collection which was valid and accurate to ensure generalization of the study findings.

5.5 Suggestions for Further Research

This study was based in the insurance sector, which is a service based organization. A comparative study could be done in other manufacturing based organizations that need to be innovative, creative and apply technology in order to remain competitive.

The descriptive research design was adopted in this research and therefore we cannot generalize the findings. Suggestion for further studies is highly recommended so as to utilize inferential techniques with an aim of generalizing the findings to other sectors.

The research also considered a shorter period of time based on the respondents' experiences which may not necessarily reflect the true position. It is therefore proposed that a longitudinal study be carried out which will evaluate the organizational performance at a given time. This is as a result of innovation and creativity investment over a period of time.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

The aim of this questionnaire is to collect data on innovation capability, creativity and technology on performance of Kenya's insurance companies. The collected information will be used exclusively for academic purposes. Please provide all the required details in the questionnaire by ticking (√) one of the choices. Kindly fill questions requiring your personal opinion in the blanks. (.....)

SECTION A: DEMOGRAPHIC INFORMATION

1. Name of the insurance company (Optional).....
2. Please describe the nature of organization ownership?
 - a) Locally owned ()
 - b) Foreign ()
 - c) Both foreign and locally owned ()
3. How many employees are there in your organization?
 - a) Less than 200 () b) 200 – 300 ()
 - c) 300 - 400 () d) 400 - 500 ()
 - d) Over 500 ()
4. What is the total number of years of the organization existence?
 - a) Less than 10 year () b) 10 – 20 ()
 - c) 20 - 30 () d) 30 - 40 ()
 - d) Over 40 ()

SECTION B: INNOVATION CAPABILITY

5. Below are business model implementation strategies generally adopted by insurance firms. Kindly indicate your level of agreement to the below practices which influence of organization activities.

Key;

Use 1-Strongly disagree, 2-Disagree, 3-Moderate extent, 4-Agree and 5-Strongly agree.

	Statement	1	2	3	4	5
1	The training and development of people is a strong commitment in the organization					
2	There is clear communication of our innovation strategy in such a way that everyone knows the improvement targets					
3	People clearly know that competitiveness of the organization is achieved through innovation					
4	We have a good understanding of our customers/end-users needs					
5	Generally our innovation projects are finished within budget and in specified time limits					
6	There are clear processes to assist employees to effectively manage new product production from design to release					
7	Time for reviewing projects is always allocated with the aim of continuous performance improvement					

SECTION C: CREATIVITY

6. Below are statements relating to the analysis of the organization's creativity. Please indicate the degree of your agreement with the same.

Key;

Use 1-Strongly disagree, 2-Disagree, 3-Moderate extent, 4-Agree and 5-Strongly agree.

	Statement	1	2	3	4	5
1	The company develops suitable schedules and plans to implement new ideas					
2	Employees of the organization develop new and realistic ideas for improving efficiency					
3	The organization does not hesitate to take risks					
4	The insurance company encourages employees to come up with ways of achieving goals					
5	Staff members are encouraged to be a good source of creative ideas					
6	The company develops suitable schedules and plans to implement new ideas					
7	Employees of the organization develop new and realistic ideas for improving efficiency					

SECTION D: TECHNOLOGY

7. Below are statements relating to the organization’s technology. Please indicate the degree of your agreement with the same.

Key;

Use 1-Strongly disagree, 2-Disagree, 3-Moderate extent, 4-Agree and 5-Strongly agree.

	Statement	1	2	3	4	5
1	The insurance company outsources technological services that it does not have internally					
2	The insurance company has a combined data processing and communication system that enables it to react fast to changes in the operating environment					
3	The organization continuously builds on its existing IT systems in response to the market demands					
4	The introduction of new technology is aimed at reducing the workload of insurance employees					
5	The insurance company employees are well prepared before introduction of a particular system					
6	The introduction of new technology in the organization is gradual					

SECTION E: ORGANIZATION PERFORMANCE-FINANCIAL AND NON FINANCIAL

8. Indicate the extent of influence to which innovation capability, creativity and technology impacts on organization performance?

Key;

Use, 5 = Greatly; 4 = Considerately; 3 = Moderately; 2 = Remotely; 1= Not at all

Statement	1	2	3	4	5
Increased savings on cost					
Improved effectiveness					
Improved quality of products					
Increase in market share					
First-hand market breakthrough					
Enhanced employee motivation					
Increased turnover					

8. Any other comment?

THANK YOU SO MUCH

APPENDIX II: A LIST OF INSURANCE COMPANIES IN KENYA

1. AAR Insurance Company Limited
2. Africa Merchant Assurance Company Limited
3. AIG Kenya Insurance Company Limited
4. Allianz Insurance Company of Kenya Limited
5. APA Insurance Company Limited
6. APA Life Insurance Company Limited
7. Barclays Life Assurance Kenya Limited
8. Britam General Insurance Company Limited
9. Britam Life Assurance Insurance Company Limited
10. Capex Life Assurance Company Limited
11. CIC General Insurance Company Limited
12. CIC Life Assurance Company Limited
13. Corporate Insurance Company Limited
14. Directline Assurance Company Limited
15. Fidelity Shield Insurance Company Limited
16. First Assurance Company Limited
17. GA Insurance Company Limited
18. GA Life Assurance company Limited
19. Geminia Insurance Company Limited
20. ICEA LION General Insurance Company Limited
21. ICEA LION Life Assurance Company Limited
22. Intra Africa Assurance Company Limited
23. Invesco Assurance Company Limited
24. Kenindia Assurance Company Limited
25. Kenya Orient Insurance Limited
26. Kenya Orient Life Assurance Limited
27. KUSSCO Mutual Assurance Limited
28. Liberty Life Assurance Company Limited
29. Madison Insurance Company Kenya Limited
30. Madison General Insurance Kenya Limited
31. Mayfair Insurance Company Limited

32. Metropolitan Cannon General Insurance Company Limited
33. Metropolitan Canon Life Assurance Company Limited
34. MUA Insurance Kenya Limited
35. Occidental Insurance Company Limited
36. Old Mutual Assurance Company Limited
37. Pacis Insurance Company Limited
38. Pioneer General Insurance Company Limited
39. Pioneer Life Assurance Company Limited
40. Prudential Assurance Company Limited
41. Resolution Insurance Company Limited
42. Saham Assurance Company Kenya Limited
43. Sanlam General Insurance Company Limited
44. Sanlam Life Insurance Company Limited
45. Takaful Insurance of Africa Limited
46. Tausi Assurance Company Limited
47. The Heritage Insurance Company Limited
48. The Jubilee Insurance Company of Kenya Limited
49. The Kenyan Alliance Insurance Company Limited
50. The Monarch Insurance Company Limited
51. Trident Insurance Company Limited
52. UAP Insurance Company Limited
53. UAP Life Assurance Company Limited
54. Xplico Insurance Company Limited

Source: Insurance Regulatory Authority (IRA), (2018).