

**PERCEIVED RELATIONSHIP BETWEEN THE PREPAREDNESS OF
UNIVERSITY GRADUATES AND THEIR PRODUCTIVITY AT
INSURANCE COMPANIES IN KENYA**

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DECLARATION

I, the undersigned, declare that this is my original work and has not been presented for a degree or any other award in any university.

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DEDICATION

I dedicate this project to my beloved family for their support throughout my entire study period.

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ABSTRACT

Universities can prepare students for a range of professional roles by considering how their curricula, teaching, and other practices contribute to developing skills that are valued by employers. The objective of the study was to determine the relationship between the preparedness of university graduates and their productivity in insurance companies in Kenya. The study adopted a cross sectional survey study design. The study population comprised of 46 registered insurance companies in Kenya by IRA. The study made use primary data. Primary data was obtained using questionnaires. The respondents comprised of human resource managers in 46 insurance companies in Kenya. The questionnaires were administered through personal contact to allow for further probing. The questionnaires were dropped and picked latter by the research assistant. Quantitative data analysis was used. Quantitative data collected was tabulated and analyzed using percentages and frequencies. Responses were analyzed and reported using simple statistic such as frequencies and percentages. The study used correlation to establish the perceived relationship between the preparedness of university graduates and their productivity at insurance companies in Kenya. The study findings established that the labour market has changed noticeably over the years due to the information and technology revolution. The graduates' preparedness involves acquiring appropriate knowledge, skills and competencies in the IT insurance sector and that acquiring skills of the graduates starts at the school level to the practical knowledge in participating in the work experience, providing them first-hand experience in the job market. The study concludes that there is a very strong relationship between the preparedness of university graduates and their productivity at insurance companies in Kenya.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The current global challenges across all economic sectors is placing new demands on workers' skills and competencies and changing the skill set required in the 21st century workplace. This changing skill set is both expanding employment opportunities and imposing new demands on employees. Basic industrial skills are now considered essential for people entering the workforce and for those trying to find a better job. Governments now consider skilled workforce a strategic asset that spurs economic growth, promotes competitiveness, and improves business productivity. A nation's economic well-being depends "on both the effective use of acquired higher education knowledge for businesses and industrial processes and on the knowledge, competencies, and skills of current and new employees" (European Commission, 2014).

Relationship between university graduates' higher education and their productivity should provide alternative as one of the fastest ways providing solutions to challenges facing many business organizations in the 21st century. The argument is that education empowers people and provides them with skills that stimulate all facets of development. On the contrary, the education sector in developing countries has not managed to positively impact on productivity, and many commentators have highlighted the deplorable state of the country's educational system from the primary and secondary to the tertiary levels. Various empirical findings have fronted concerns with the problems at

the tertiary level though admittedly, the problems begin from the lower levels of education. Poor standards at the primary level translate to every other level of the educational sector (UNESCO, 2009).

Human capital theory rests on the assumption that formal education is highly instrumental and necessary to improve the productive capacity of a population. In short, human capital theorists argue that an educated population is a productive population. Human capital theory emphasizes how education increases the productivity and efficiency of workers by increasing the level of cognitive stock of economically productive human capability, which is a product of innate abilities and investment in human beings. The provision of formal education is seen as an investment in human capital, which proponents of the theory have considered as equally or even more worthwhile than that of physical capital (Wombof and Abba, 2008). Integrative learning is the process of making connections among concepts and experiences so that information and skills can be applied to novel and complex issues or challenges. Higher education leaders consistently assert that undergraduate students need to make connections in their learning: across courses, among diverse perspectives, between in-class and out-of-class experiences, and between new learning and prior knowledge. These theoretical views and national reports note that the intellectual skills required to integrate diverse perspectives are needed in the 21st century and should be intentionally cultivated. Integrative learning will enable college graduates to contribute to solving many of the world's multifaceted problems (Bok, 2006).

According to UNESCO (2013), preparedness of university graduates in Kenya's economy favors knowledge and technology. Higher education is increasingly being viewed as central to national strategies for securing shares in the global market and universities as the repositories of valuable human capital to support national development. The contribution of universities to economic development can be seen in three areas: producing and accumulating human capital generating, disseminating, and applying knowledge; and innovating and inventing new information and technology. The accelerating shift to high-technology industries and an information technology economy requires sustained human resource development and training.

1.1.1 Concept of Perception

According to Massad, Hubbard and Newtonson (2012), they define perception as recognition and interpretation of sensory information. Perception also includes how we respond to the information. We can think of perception as a process where we take in sensory information from our environment and use that information in order to interact with our environment. Perception allows us to take the sensory information in and make it into something meaningful. According to Pomerantz (2013), perception is the recognition in response to sensory stimuli; the act or process by which the memory of certain qualities of an object is associated with other qualities impressing the senses, thereby making possible recognition of the object.

Moore (2013) defines perception as the process by which people translate sensory impressions into a coherent and unified view of the world around them. Though

necessarily based on incomplete and unverified (or unreliable) information, perception is equated with reality for most practical purposes and guides human behavior in general. Perception refers to the set of processes we use to make sense of different stimuli presented with in the world. The perceptions are built on how interpretations of different sensations, which are sensory impressions, get from the stimuli in the world around us. Perception enables us to navigate through the world, and to make decisions about everything from what to wear to how fast to run away (Gibson, 2014).

Perception of fairness is central reactions to many organizational decision-making procedures including staff, compensation, discipline, and layoffs (Fox, 2009). Fairness refers to the extent to which procedures and outcomes are seen as just, consistent, or appropriate. Generally, research indicates that perception of fairness arises from evaluation of the outcomes received (outcome fairness) and procedures used to determine those outcomes (procedural fairness), and the way in which the decision-making procedures were implemented and explained (interpersonal fairness). According to Marco et al., (2010) shows that positive perception by readily prepared university graduates would boost their morale leading to increased productivity, job satisfaction, and lower turnover, reduce absenteeism and improved quality of service. Negative perception of preparedness would have the opposite outcome and create indifference towards productivity evaluation management which will lead to staff preferring to maintain the status quo.

Individual perception is heavily influenced by personal characteristics and individual interpretation of the environment including how they perceive the managers and other colleagues. Certain factors influence the individual perceiver such as personal attitude, personality, motives, interests, past experience and expectations. People in organizations often judge management depending on the relationships and conduct of the manager (Moore, 2013). The perception of an individual, when he or she looks at a target and attempts to interpret what he or she sees is heavily influenced by personal characteristics of the individual perceiver. Personal characteristics that affect perception include a person's attitudes, personality, motives, interests, past experiences and expectations (Pomerantz, 2013).

1.1.2 Preparedness of University Graduates

Universities can prepare students for a range of professional roles by considering how their curricula, teaching, and other practices contribute to developing skills that are valued by employers. This can include increased collaboration between employers, professional bodies, and universities. The implications for the higher education sector are clear: create graduates who are more agile, have a solid understanding of how the workplace works and can see how their skills fit into it and prepare them for the idea of moving across jobs and sectors. The way employability is currently measured puts too much emphasis on universities' ability to get graduates into employment that matches their degree discipline, rather than on their readiness for a career (Moore, 2013). A better interpretation of graduate career paths and the sharing of knowledge between universities

and businesses would leave the higher education sector better placed to tackle the issue where it can. Universities prepare graduates for employment through, Trainings, Coaching, Lectures, oral Presentations, and Internships and through research and field work. Through the above forms of preparations, the graduates' gets exposure and this makes it easier for their absorption into their various work places. The students are also taught how to network. Students often come out of universities having heard that they should network, but not understanding what that means or how to do it. As a result, some new graduates simply do not network at all, and others inadvertently use strategies that putt off their contacts (Donald, 2011).

Through University Education, graduates are trained on Integrative Learning which trains them on application of knowledge and skills necessary for the real world setting. They also acquire knowledge on diverse human cultures and the Physical and natural world surrounding them. This prepares them to work in different countries and continent with diverse cultures with emphasizes being on development of Science and Technology. Universities also train graduates on intellectual and practical skills, personal and social responsibility that emphasizes on team work, communication, integrity and ethics (Hofstrand, 2011). Preparedness of university graduates links the global economy favors knowledge and technology. Higher education is increasingly being viewed as central to national strategies for securing shares in the global market and universities as the repositories of valuable human capital to support national development. The contribution of universities to economic development can be seen in three areas: producing and

accumulating human capital generating, disseminating, and applying knowledge; and innovating and inventing new information and technology. The accelerating shift to high-technology industries and an information technology economy requires sustained human resource development and training, (UNESCO, 2013).

Therefore, an appropriate higher education system is critical for preparing a competent workforce. Reflecting the priority given to develop a knowledge-based economy, tertiary education enrolment had increased from 28.6 million in 1970 to 152.2 million in 2007.1 unfortunately; employment rates had not kept pace with this trend. The global unemployment rate increased from 5.6 percent in 2007 to 6.2 percent in 2010. This has created a highly competitive environment for young people aged 15- 24 years, as can be seen from high youth unemployment rates: 11.8 percent in 2007, 12.8 percent in 2009, 12.6 percent in 2010 and 12.7 percent in 2011. These statistics are worrisome because the youth represent the productive labour force of the countries. If not gainfully engaged for extended periods of time, many governments will have to deal with a host of issues and challenges facing a lost generation. The number of unemployed graduates is partly caused by imbalances in the economy. The financial crisis and economic downturns in recent years are certainly reasons for the reduction in the number of jobs, but supply-side factors also contributed to the high numbers of unemployed graduates (Dessler, 2010).

1.1.3 Employee Productivity

Employee productivity is an assessment of the efficiency of a worker or group of workers. Productivity may be evaluated in terms of the output of an employee in a

specific period of time. Typically, the productivity of a given worker will be assessed relative to an average for employees doing similar work. Because much of the success of any organization relies upon the productivity of its workforce, employee productivity is an important consideration for businesses. Productivity is a summary measure of the quantity (size, weight, number, volume of work) and quality (excellence, productivity) with resource utilization. It can be measured based on individual or group (Schermerhon, 2013). The simplest possible definition of productivity is output per unit of time where output may be measured in the units of production, service, money or some other measurable criterion.

In most instances employee productivity is determined by the concept ability, work environment, and motivation (Griffin, 2010) worker productivity can be regarded as the product of ability and motivation. It can be expressed as $\text{productivity} = \text{ability} \times \text{motivation}$. If motivation is lacking then productivity is nil. Attempts to alter worker productivity mainly focused on ability, motivation or both (Marc et al., 2010). At the University of California at Irvine, researcher Marco et al., (2010) found that, on average, workers are interrupted every 3 minutes and that it takes 23 minutes after even a very brief interruption to return to the original task. Interruption science explores the impact of disruptions on productivity. In helping employees to become more productive, this means they are getting more done in less time and with less stress, burn out, and turnover. It also means recruiting and retention costs go down, enhancing the bottom line. Wetmore

(2012) developed five valuable principles to help employees to increase productivity in their organization.

1.1.4 The Insurance Companies in Kenya

Kenya has 46 insurance companies and 4,576 registered insurance agents, yet a paltry 3 percent of Kenyans have insurance cover (IRA, 2013). The Insurance Industry in Kenya is regulated by the Insurance Regulatory Authority (IRA), a semi-autonomous regulator, set up in 2013. IRA is expected to improve regulation and stability of the industry. Of the licensed insurance companies, 20 were general insurers, 7 long term insurers and 15 were composite (both life and general) insurers. Under the 2011 amendments to the Insurance Act, an insurer wishing to open a branch or a new place of business in Kenya, or to change the location of a branch, or an existing place of business, applies to the Authority for approval. IRA now holds directors of the insurer to be jointly and severally liable for the recovery of the assets in case of mismanagement. The Authority was also given powers to manage assets of an insurance company in the public interest and take any other action in this regard.

According to the Turkish Weekly July 2015, Kenya is the ninth-largest economy in Africa. Economic growth slowed in 2009 due to the global financial crisis, political instability and a decline in exports. Currency depreciation and elevated inflation rates were other factors that contributed to the slowdown. The economy began a period of recovery in 2010, as a result of the strong productivity of the agriculture, manufacturing and real estate sectors. The Kenyan insurance companies grew at a rate of 20.3% during

the review period. This growth was achieved due to various factors, such as the expansion of the distribution network and premium growth. Health insurance was one of the fastest growing categories within the segment, and accounted for 86.3% of the total personal accident and health segment's share in 2013.

The Kenya insurance sector report (2014) provides in-depth industry analysis, information and insights into the insurance companies in Kenya. The report discusses the competitive nature of this sector, current trends and drivers and specific challenges. The report shows data for the 2010-2014 period and projected figures for 2015-2018. It offers a detailed analysis of the key segments and categories of the companies and their growth prospects, reviews specific aspects of the market, profiles the top insurance companies in Kenya, and outlines the key regulations affecting them.

1.2 Research Problem

Organizations seek graduates who are well prepared for the labour market. According to Peddle (2011), employers question the success of higher education programs in developing employability skills of graduates. Employability skills are skills that are basic and generic in nature, but very valuable in assisting every person entering the workforce. Newell (2011) noted that graduates have the possession of certain level of skills and attitudes, as well as their ability to utilize them for job search and retainment. Higher education providers are faced with the challenge of producing graduates that meet the expectations of industry and professional accreditation bodies. These expectations however, are moving away from a discipline and competency focus, towards a graduate

who is 'work-ready'. Emberland and Rundmo (2010) stated that in a competitive marketplace, employers are seeking graduates that not only have technical skills but also soft skills such as ability to effectively communicate, interact and empathize with client needs. These generic skills are becoming highly sought after qualities and, according to Gerhardt et al., (2009) can be attributed to an individual's professional success or failure more so than technical skills or intelligence. Oldham et al., (2009) remarks are in support that in recent years the proportion of young people graduating from higher education has increased rapidly. This reflects a shift from elite to mass higher education systems, the latter being defined as a system in which more than 15% of young people participate in higher education. The lack of skilled personnel and the increasing demand for skilled employees in the insurance industry in Kenya has posed as a great challenge in the labour market.

Kenya's insurance sector is among the most developed in Sub-Saharan Africa. The country has a high level of insurance penetration with premiums equivalent to about 3% of GDP, and is also home to some of Africa's largest insurance groups as well as a number of major multinational firms. In the fifty years since independence, Kenya's insurance industry has flourished, and by 2013 had 46 registered insurance companies. Kenya's insurance industry leads within the East Africa Community (a trading block of Kenya, Uganda and Tanzania), and is a key player in the COMESA region, (Common Market for Eastern and Southern Africa). The industry employs over 10,000 people, showing the growing demand for the labour market in the insurance companies in Kenya.

The insurance industry has a general practice of entrants requiring tertiary education in order to enter the industry (Sector Skills Plan 2002/2003). Alternatively the entrants are expected to have a matriculation certificate and working experience. One of the greatest challenges faced in the insurance industry in Kenya is the critical need to hire and retain qualified, capable and experienced graduates as statistics reflect that the number of young people graduating from universities has increased rapidly. Insurance courses in Kenyan education system are not much concentrated on and this should be encouraged. Learning institutions offer business courses in the finance, economics, and marketing and business administration sector. Courses that lead to an insurer as a career in the insurance industry are limited in higher learning institutions in Kenya.

Locally, studies that have been done include: A study by Kiragu (2014) focused on the challenges facing insurance companies in building competitive advantage in Kenya. In one of his objectives of the study, the researcher investigated how employee competence influences competitive advantage in insurance firms. Gacheri (2015) focused on exploration into the quality of Kenyan university graduates and their work preparedness. Rintari (2014) studied on University Graduates' Employability Skills Preparedness in Kenyan Economic Sectors. Wawira (2012) conducted a study establishing factors affecting employee productivity at the Kenya National Trading Corporation. Mwema and Gachunga (2014) carried out a study on the influence of performance appraisal on employee productivity in organizations at selected WHO offices in East Africa. Shefali et al. (2011) studied training as it affects insurance organization and its impact on

employees productivity, what roles its played by employees training in the enhancement of works towards achievement of better productivity, their investigation covers skill, knowledge, attitude of workers, as employees are engaged with define duties and responsibilities. The research concluded by given useful training methods to the management involved in the directions of organization on how to improve employees' productivity through organized training programme.

The study further noted that because of its lack of coherent mode, practical skills training which does not produce the requisite skills for the job market. Additionally, the trainees also lacked training experience, initiative and motivation to discharge their duties effectively. It is against this background that the study focuses on the preparedness of university graduates and their productivity in one of sectors in Kenya. Therefore, the study will sought to determine what is the perceived relationship between the preparedness of university graduates and their productivity at insurance companies in Kenya?

1.3 Research Objective

The main objective of the study is to determine the relationship between the preparedness of university graduates and their productivity in insurance companies in Kenya.

1.4 Value of the Study

Insurance companies will benefit from the findings on relationship between the preparedness of university graduates and their productivity. The organization also shall be in a position to create varied influence to the education curriculum that would be in a

position to meet the varied needs of their employees need hence achieve optimal economical results. The study would also benefit most of the organizations on the relationship between the preparedness of university graduates and their productivity and hence may come up with policies on effective employment criteria.

The research findings will benefit the universities and higher education institutions to develop policies and regulatory frameworks to enable the students to have a platform to gain first-hand experience in the job market. This will create partnership with the job market firms and the education institutions where the students get the opportunity to learn from the real experience of the job market. The students will benefit from the research findings in that they will be prepared for the job market as they complete their university education. They will be better placed in the transition from students to the work environment. They will also have the basic knowledge that is required for employment preparation as they complete their education.

The knowledge generated by this study will enable other researchers to improve and develop a better understanding of relationship between the preparedness of university graduates and their productivity particularly for our local workplaces. The study will also provide a source of literature for them.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The focus of the study is to study the relationship between the preparedness of university graduates and their productivity in insurance companies in Kenya. The chapter highlights the concept of preparedness of university graduates and their productivity. The chapter will also be grounded on two major theories that bring out the concept of preparedness of university graduates and their productivity. The two theories are integrative learning theory and human capital theory respectively.

2.2 Theoretical Foundation

This study will be anchored on the human capital theory and integrative theory.

2.2.1 Human Capital Theory

Human Capital Theory is the most influential economic theory of Western education, setting the framework of government policies since the early 1960's. It is seen increasingly as a key determinant of economic performance. A key strategy in determining economic performance has been to employ a conception of individuals as human capital and various economic metaphors such as 'technological change', 'research', 'innovation', 'productivity', 'education', and 'competitiveness'. Economic considerations per se in the past, however, have not determined education. In modern Human Capital Theory all human behaviour is based on the economic self-interest of individuals operating within freely competitive markets. Other forms of behaviour are

excluded or treated as distortions of the model. A prominent explanation for that move is provided by a recent reformulation of Human Capital Theory which has stressed the significance of education and training as the key to participation in the new global economy (Becker, 2009).

In terms of structural reform, under Human Capital Theory the basis for nation state structural policy frameworks is the enhancement of labour flexibility through regulatory reform in the labour market, as well as raising skill levels by additional investment in education, training and employment schemes, and immigration focused on attracting high-quality human capital.

2.2.2 Integrative Learning Theory

Integrative learning is the process of making connections among concepts and experiences so that information and skills can be applied to novel and complex issues or challenges. Higher education leaders consistently assert that undergraduate students need to make connections in their learning: across courses, among diverse perspectives, between in-class and out-of-class experiences, and between new learning and prior knowledge. Scholars interested in cognitive development and national associations that advocate for meaningful educational reform harmonize on this point (Association of American Colleges and Universities [AAC&U] 2007; Baxter Magolda & King, 2004; Klein, 2005b; Newell, 2001a). These theoretical views and national reports note that the intellectual skills required to integrate diverse perspectives are needed in the 21st century and should be intentionally cultivated. Integrative learning will enable college graduates

to contribute to solving many of the world's multifaceted problems (Bok, 2006). What is less clear from the existing literature is how to translate this conceptually rich idea into practice.

2.3 Preparedness of University Graduates

According to Little (2011), employability is a multi-dimensional concept, and there is a need to distinguish between factors relevant to obtaining a job and factors relevant to the preparation for work. Morley (2012) adds that employability is not just about students making deposits in a bank of skills. Knight (2010) and Yorke (2013) consider the concept of employability to be a 'synergic combination of personal qualities, skills of various kinds and subject understanding'. It is a concept that is much more complex than the relatively restrictive key skills agenda, as focused on by Dearing et al., (2007) which has obscured a greater understanding of employability. Yorke (2013) also suggests that traditionally, little emphasis has been placed upon a student's personal qualities, but that these could have considerable bearing on a particular student's success.

York (2013) concurs with two main concepts of employability; these are the educational conception relating to the ability of graduates to tackle 'graduate' jobs. This is related to the notion of 'capability' whose development was sponsored by the RSA in the late 1980s - 'Higher Education for Capability'. This means that employability of graduates relates to their being equipped for a job and capable of being employed, rather than job acquisition.

The Government of Scotland (2007) indicated that the ability of the graduate to get a job any job is another one. Over the last two years, the Center for Information and Society at the University of Washington has conducted research into the above questions to understand the role of basic ICT skills among the myriad of factors that affect employment prospects and the pathways people take into the labour market. In framing this issue, we posit that employability is not the same as employment. Employment is a binary concept you can count employment rates. Employability, on the other hand, Harvey (2010) describes “a set of factors, processes, [and training opportunities] that enable people to progress towards or get into employment, to stay in employment, to move on in the workplace, or to find entrepreneurial opportunities”.

Knight and Yorke (2011) established that no one can do it better and more productively, unless they know how to do it. Many employers fail to not only train employees initially, but as an on-going process. They are fearful of taking people offline and losing their immediate output. The result is, however, that people are so busy doing it the wrong way because they cannot take out some time to learn how to do it the right way. The training process ought to help employees handle their current responsibilities more effectively and to prepare them for what they need to know a year from now, and five years from now, as the information explosion changes the way we all do business. Furthermore, the authors added that the right tools need to be provided. These tools include not only the physical resources and proper staffing but also the personal tools of self-development. Many

employers will send a painter out in the field with a ladder that's three feet short. Employees are the Rolls Royce's of the company. If you fail to spend a little to give the Rolls the proper fuel and maintenance, that \$200,000 machine will not operate properly.

2.4 Factors Influencing Employees' Productivity

Schefflen et al., (2011) noted that there are a variety of factors that influence the progress toward employability beyond an individual's ICT knowledge, skills, and attitudes, such as level of formal education, social networks, a region or community's economic viability, social class, caste, gender stereotypes, learning styles, and labor market dynamics, among others. A community's social and cultural fabric also plays a decisive role in attracting and retaining the most competitive workers.

Butterworth et al., (2012) further supports that employability encompasses the combination of factors that demand contextualization; it creates a fertile ground for innovative research that explores the role of exposure to ICT and acquisition of working skills to this process. The challenge for researchers in this field is to talk about employability by drawing from particular cases and examples, but also by extrapolating the findings to make them relevant and transferable across settings.

According to Gelade, Garry & Ivery (2013), the knowledge and skill demands in today's knowledge economy have been the subject of thorough policy and academic discussions. The diffusion of ICTs across industrial sectors, along with changing business models, has induced skill-biased organizational and technological change. Workers in a wide variety of fields have had to adapt and incorporate ICT into their jobs. Additionally, these

changes increase the complexity of skills required by today's workforce and threaten the position of low-skilled workers when they do not succeed in adjusting their skills according to the shifts in the skills demanded in their job or sector of industry.

According to Hitt, Dacin, Shimizu and Kochhar, (2011), in addition to ICT competence, other skills are often required in today's labor market, including communication skills, teamwork, collaboration, critical thinking, decision making, and general social skills. In this environment, low-skilled, long-term unemployed and older workers are more vulnerable to skill obsolescence than are other groups. Moreover, during economic downturns these workers must compete with higher-skilled workers who are suddenly willing to take lower-paid jobs. Lower-skilled workers risk being "crowded out" of the labor market or trapped in dead-end and low-wage jobs.

Marco et al., (2010) noted that attitude is everything. Happy employees are productive employees. And it doesn't take a rocket scientist or a consulting firm to figure that one out. Negative attitudes can torpedo employee productivity much faster than nonstop basketball being streamed over the Web. An employee with a positive attitude usually enjoys the work that they do and feels empowered and recognized for their contributions. An employee that is complacent and does not really enjoy their work, but is simply there for a paycheck usually does not produce at a high level, develops a bad attitude and generally drags a team down.

Fox (2009) pointed out that health concerns naturally, are a big drain on an employee's ability to be productive, and companies know it. He also adds that the right technology

tools are needed to improve employee productivity. For an employee to be efficient and productive in today's job environment means equipping employees with the right gear. Companies that don't upgrade or ignore the necessity for tech tools like PCs, Blackberries, cell phones and other 21st century tools, run the risk of diminished employee productivity.

2.5 Relationship between Preparedness of University Graduates and Productivity

Kitagawa (2004) noted that institutions makes effort to create jobs on one hand, it is also important on the other hand that individuals possess appropriate knowledge, skills and competencies to satisfactorily perform the jobs. The required knowledge, skills and competencies are mainly impacted through the country's education system which comprises of primary education for eight years, secondary education for four years and tertiary education of four years. The eventual employability of the citizens is dependent on what they get exposed to, learn and use during the years they spent going through the education system, amongst other factors. Becker (2009) provided the rationale for treating human capital in the same way as physical capital.

Charles (2013) discussed that the higher earnings of educated workers are believed to reflect their superior productivity. Education is thought to raise productivity through the provision of skills and knowledge, which increase the efficiency and hence the value of the more educated. According to neoclassical economic theory, wages are determined on the basis of a worker's marginal contribution to a firm's revenues. Becker (2009)

indicated the effect of education on productivity has been put to question by the proponents of screening or signaling models, according to which the link between education and wages does not point to a direct effect of education on productivity. Thus, the strong correlation between education and wages in the labour market may be due to reasons other than education.

According to Hit et al., (2011), employers use education as a screen, while the educated obtain educational credentials in order to signal their talents to potential employers. This is necessary because employers are usually unaware of an individual's productive capabilities at the time of hiring. The hiring decision, which is likened to the purchase of lottery, is based on information concerning the observable characteristics of the job applicant. Some of these characteristics (such as age, gender, race etc.) are unalterable and thus not subject to manipulation by the individual, while others, like education, are. The latter are termed as signals by Hit et al., (2011), and individuals are assumed to select signals in order to maximize the difference between offered wages and signaling costs. In this framework, education is considered to serve merely as a signal of productivity to potential employers.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was adopted for the study. It discusses the research design, the population of the study, data collection method and data analysis. The following are discussed in the sub-sequent subtitles.

3.2 Research Design

According to Cooper and Schindler, (2003) research design constitutes the blue print for collection, measurement, and analysis of data. Joyner and Glatthorn (2005) noted that a research design as the structure of the research, the glue that holds together all the elements of a research proposal. The study was carried out through a cross sectional survey study design where the unit of study was sought to determine the relationship between the preparedness of university graduates and their productivity in Kenya. Cross sectional study is a type of observational study that involves the analysis of data collected from a population, or a representative subset, at one specific point in time (Schmidt and Kohlmann, 2008). A cross-sectional study design is used when the purpose of the study is descriptive, often in the form of a survey. The design is most appropriate when detailed, in-depth analysis for a single unit of study is desired.

3.3 Population of the Study

Population is defined as any group of people, observation or test in which the researcher happened to be interested. According to Borg and Gall (1989), target population of a

study is defined as all members of real or hypothetical set of people, events or objects to which the investigator wishes to generalize the results of the study. Cooper and Schindler (2003) describe a population as the total collection of elements whereby references have to be made. The population of interest for the study was 46 registered insurance companies in Kenya by IRA (2013).

3.4 Data Collection Method

The study made use primary data. Primary data was obtained using questionnaires. The respondents comprised of human resource managers in 46 insurance companies in Kenya. These HR respondents are better placed in providing required data because they play a leading role in ensuring that they position the organization favorably within the changing environment through instituting appropriate timely responses. The questionnaires were administered through personal contact to allow for further probing. The questionnaires were dropped and picked latter by the research assistant.

3.5 Data Analysis

Quantitative data analysis was used. Quantitative data collected was tabulated and analyzed using percentages and frequencies. Responses were analyzed and reported using simple statistic such as frequencies and percentages. Computer software Statistical Package for Social Science (SPSS) was used to provide descriptive statistics to which was used to answer the research questions. This helps in making relevant generalizations whereby a Pearson correlation co-efficient is calculated to determine and test the correlation between the dependent variable and each independent variable. The study

used correlation to establish the perceived relationship between the preparedness of university graduates and their productivity at insurance companies in Kenya. Nachmias and Nachmias (1996) define correlation as one of the most common and most useful statistics. A correlation is a single number that describes the degree of relationship between two variables.

CHAPTER FOUR

DATA ANALYSIS, RESULT AND DISCUSSION

4.1 Introduction

This chapter is a presentation of results and findings obtained from field responses and data, broken into two parts. The first section deals with the demographic information, while the other section presents findings of the analysis, based on the objectives of the study as explored by the questionnaires where both descriptive and inferential statistics have been employed.

4.2 Response Rate

From the data collected, out of the 46 questionnaires administered to the human resources managers in the insurance companies, 42 were filled and returned. This represented a 92% response rate, which is considered satisfactory to make conclusions for the study. According to Mugenda and Mugenda (2003) a 50% response rate is adequate, 60% good and above 70% rated very good. This is also in line with Bailey (2000) assertion that a response rate of 50% is adequate, while a response rate greater than 70% is very good. This implies that based on this assertion; the response rate in this case of 92% is very good.

Table 4.1: Response Rate

	Frequency	Percentage
Returned questionnaires	42	92%
Unreturned questionnaires	4	8%
Total	46	100%

This high response rate can be attributed to the data collection procedures, where the researcher pre-notified the potential participants and applied the drop and pick method where the questionnaires were picked at a later date to allow the respondents ample time to fill the questionnaires.

4.3 Demographic Information

The study sought to determine the demographic information of the respondents covering the gender of the respondents, their highest level of education, how long the company has been in operation and how long the respondents have worked in the company.

4.3.1 Gender Distribution

The study sought to determine the gender disparity between the male and female respondents among the selected human resource managers at the insurance companies.

The findings were illustrated in figure 4.1 below.

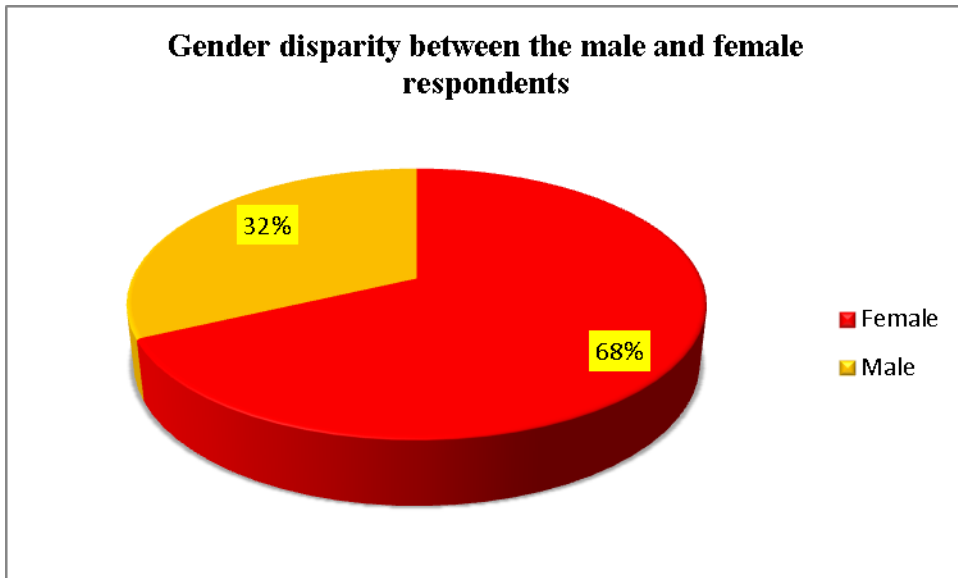


Figure 4.1: Gender Distribution

From the findings as indicated in Figure 4.1, majority of the respondents (68%) were female respondents with (32%) being male respondents. This implies there were more female than male among the respondent taken onto account in the human resource departments in the insurance companies.

The study concludes that despite the gender disparity in the insurance companies, both genders were well represented to effectively carry out the study.

4.3.2 Highest level of Education

The study examined the highest level of education among the respondents. The findings were depicted in figure 4.2 below.

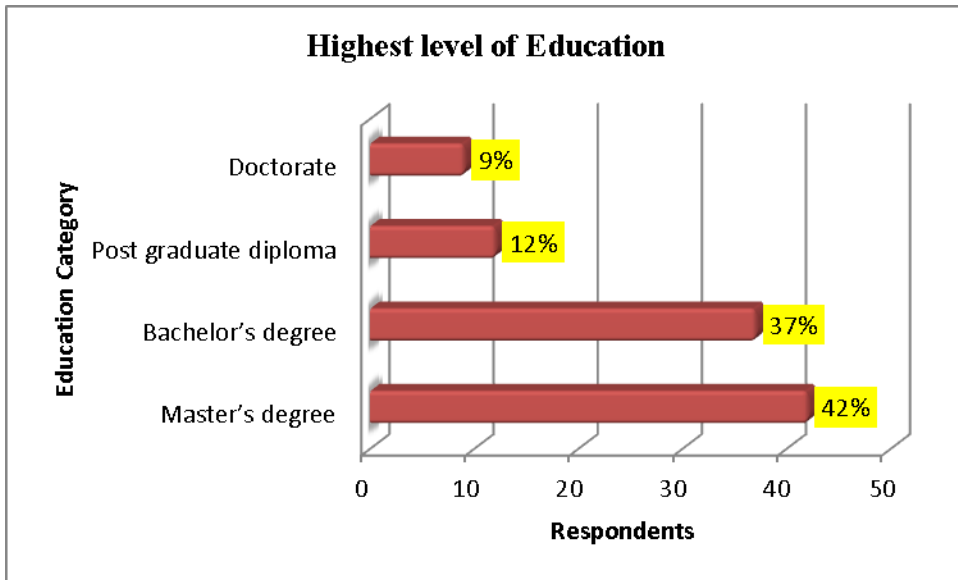


Figure 4.2: Highest level of Education

Figure 4.2 reveals that majority of the respondents (42%) have a Master's degree, 37% of the respondents have a bachelor's degree; 12% of the respondents have a post graduate diploma in Human Resources while 9% of the respondents have doctorate level of education.

In conclusion therefore, it is clear that majority of the respondents had a degree and above. The respondents had adequate education to respond on the perceived relationship between preparedness of university graduates and their productivity at insurance companies.

4.3.3 Duration of Operations

The study established how long the company has been in operation. The findings were represented in the figure below.

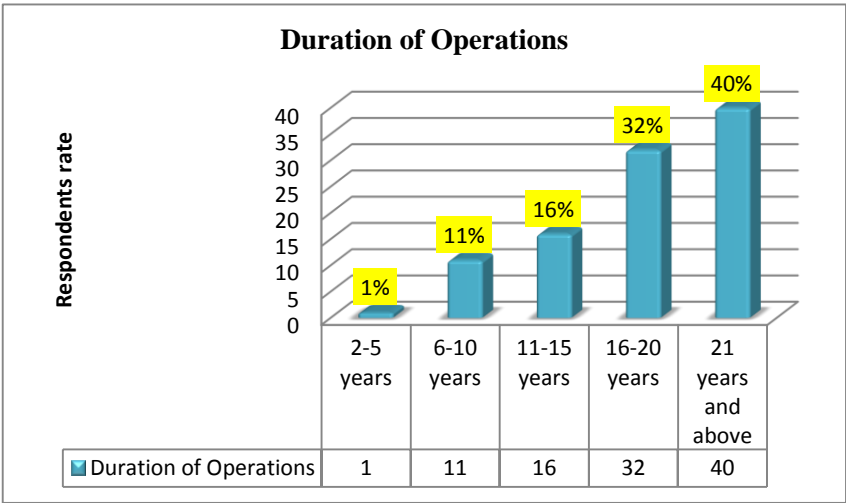


Figure 4.3: Duration of Operations

From the findings in figure 4.3, the majority of the respondents (40%) indicated that their insurance company has been in operation for 21 years and above. 32% of the respondents indicated that their company has been in operation for a period between 16 and 20 years. 16% of the respondents indicated that their company has been in operation for 11 to 15 years. 11% of the respondents indicated that their company has been in operation for 6 to 10 years while 1% of the respondents indicated that their company has been in operation for 2 to 5 years.

In conclusion, majority of the respondents have been in the organization for a long duration and hence they were best positioned to provide information on the relationship between the preparedness of university graduates and their productivity at Insurance companies in Kenya.

4.3.4 Number of years worked

The study sought to determine how long the respondents have worked in the company.

The findings were presented in the figure below.

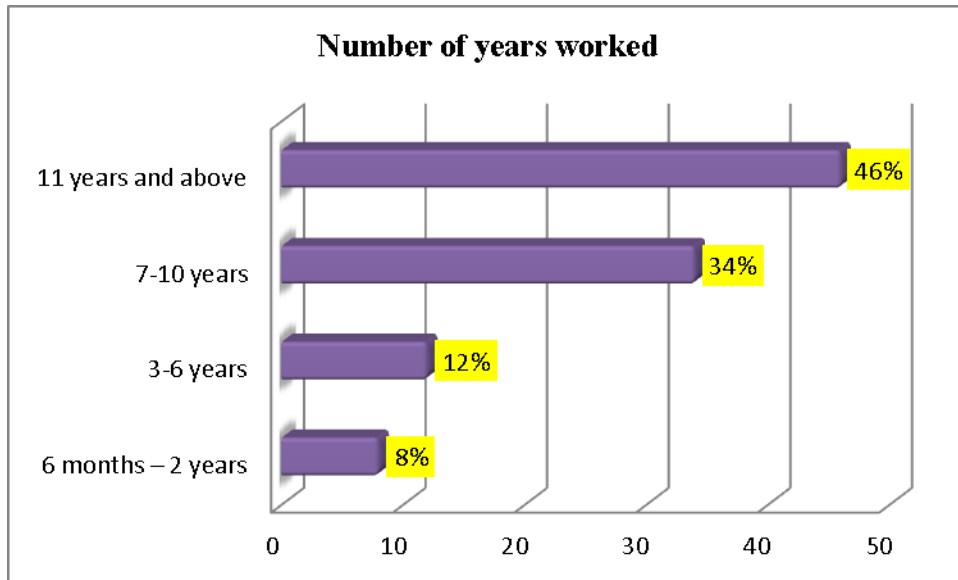


Figure 4.4: Number of years worked

From the findings in the figure 4.4, the majority of the respondents (46%) indicated that the number of years worked in the company was more than 11 years. 34% of the respondents indicated that they had worked in the company for 7-10 years. 12% of the respondents indicated that they had worked in the company for 3 to 6 years while only 8% of the respondents indicated that they had worked in the organization for 6 months to 2 years.

In conclusion, majority of the human resources at the insurance companies had worked for more than 10 years and was therefore best situated to provide insight on the

relationship between the preparedness of university graduates and their productivity at Insurance companies in Kenya.

4.4 Preparedness of University Graduates and Productivity

The study sought to determine the preparedness of university graduates and their productivity in the insurance industry. The study investigated graduates' preparedness in terms of preparedness to use knowledge skills demand; information technology; attitude and health concerns of the respondents. The study sought to determine the extent to which the respondents agree to the given statements on graduates' preparedness as a factor that influences their productivity. The respondents were required to rate their responses on a five point-likert scale where 1= strongly disagree to 5= strongly agree.

Means that are ≤ 1.5 implied that the respondents strongly disagree with the given factors influences their productivity. Means that are between 1.5 and 2.5 implied that the respondents disagree with the given factors influences their productivity. Means that are between 2.5 and 3.5 implied that the respondents were neutral with the given factors influences their productivity. Means that are between 3.5 and 4.5 implied that the respondents agree with the given factors influences their productivity. Means that are between 4.5 and 5.0 implied that the respondents strongly agree with the given factors influences their productivity.

Standard deviation described the distribution of the responses in relation to the mean. It provides an indication of how far the individual responses to each factor vary from the mean. A standard deviation of more than 1 indicates that the responses are moderately

distributed, while less than 0.5 indicates that they are concentrated around the mean. A standard deviation of more than 1 indicates that there is no consensus on the responses obtained.

4.4.1 Knowledge and Skill Demands

The study sought to determine the extent to which the respondents agree or disagree on knowledge and skill demands as a factor that influences their productivity.

Table 4.2: Knowledge and skill demands

Statement	Mean	Std. Dev.
New graduates possess appropriate knowledge, skills and competencies in the insurance sector	2.154	0.252
The graduates are flexible to organizational changes	3.285	0.125
The graduates are more adaptable to the changing skills demands in the labour market	3.246	0.218

The findings in the table above reveal that the respondents indicated that they disagreed that new graduates possess appropriate knowledge, skills and competencies in the insurance sector with a mean of 2.145; the respondents agree that the graduates are flexible to organizational changes with a mean of 3.285 and they also agreed that the graduates are more adaptable to the changing skills demands in the labour market with a mean of 3.246.

In conclusion, the study reveals that new graduates do not possess appropriate knowledge, skills and competencies in the insurance sector, but they are flexible to organizational changes and are more adaptable to the changing skills demands in the labour market.

4.4.2 Information Technology

The study sought to determine the extent to which the respondents agree on the preparedness of new graduates in IT in insurance companies.

Table 4.3: Information Technology

Statement	Mean	Std. Dev.
The graduates received have knowledge on IT	3.574	0.245
The graduates have the willingness to learn more about IT	3.624	0.412
The graduates are trained on job entry about IT skills required by the company	3.721	0.347
The graduates are more effective on IT skills than the old employees	3.354	0.325

From the findings in the table above, the respondents agreed that the graduates received have knowledge on IT with a mean of 3.574. The respondents agreed that the graduates have the willingness to learn more about IT with a mean of 3.624. The respondents also agreed that the graduates are trained on job entry about IT skills required by the company with a mean of 3.721 and further the respondents agreed that the graduates are more effective on IT skills than the old employees with a mean of 3.354.

The above analysis informs that the new graduates employed by insurance companies in Kenya have adequate knowledge on IT and are willing to learn and acquire the skills to apply in the insurance companies. However, it is noted that the new graduates do not necessary have more IT skills than the old employees.

4.4.4 Attitude

The study sought to determine the extent to which the respondents rate attitude as a factor the influence their productivity.

Table 4.4: Attitude

Statement	Mean	Std. Dev.
The graduates have the right attitude towards work	4.542	0.435
University graduates are prepared for the job	3.271	0.325
The graduates bring enthusiasm to the work place with the right attitude	4.597	0.404
The graduates are not choosy when it comes to being assigned work that they were not called in for	4.642	0.226
The graduates display positive attitude towards their work	4.674	0.384

From the findings in the table above, the majority of the respondents indicated that they agree that the graduates have the right attitude towards work with 4.542. The respondents agreed that the graduates bring enthusiasm to the work place with the right attitude with a mean of 4.597. The respondents agreed that graduates are not choosy when it comes to being assigned work that they were not called in for with a mean of 4.642 and the respondents also agreed that the graduates display positive attitude towards their work with a mean of 4.674.

In conclusion the new graduates seem to have the right attitude towards work and they bring enthusiasm to the work place with the right attitude. This makes them prepared for the job because they handle what they are assigned as work on their part to do and

therefore this displays a positive attitude towards their work and motivates the employer to trust them to handle any work situations.

4.4.5 Health Concerns

The study sought to determine the health concerns of the respondents. The findings were presented in the figure below.

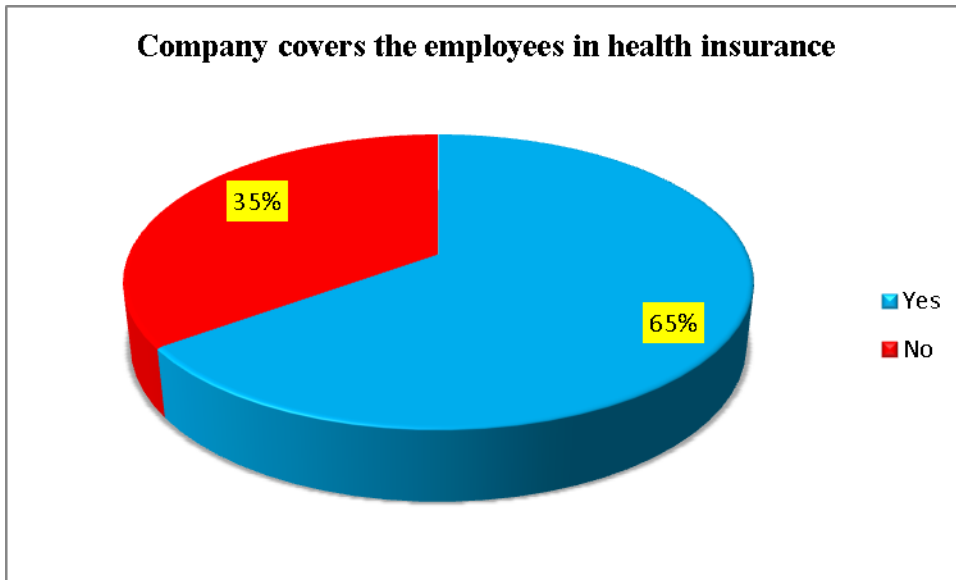


Figure 4.5: Company covers the employees in health insurance

The study findings established that majority of the respondents (65%) indicated that the company covers the employees in health insurance while 35% of the respondents indicated that the employees are not covered in health insurance.

In conclusion, the human resources of the insurance companies indicated that most of their company covers the employees in health insurance. It is important that the

employees working with insurance companies get health insurance cover, for this helps to improve on their productivity at insurance companies.

4.4.6 Productivity

The study sought to determine the extent to which the respondents agree on the relationship between preparedness of university graduates and productivity.

Table 4.5: Productivity

Statement	Mean	Std. Dev.
new graduates meet the set targets	3.556	0.448
New graduates embrace team work	3.571	0.327
New graduates take up new challenges in the industry, exemplifying positive attitude towards their work	4.382	0.404
The work environment provides a friendly work place for the graduates	3.846	0.345
There is minimal supervision for the new graduates at work	3.452	0.473
There is effective communication from the managers to employees that improves the productivity of employees	3.248	0.338
University graduates are able to work under stress brought by various job related factors	3.652	0.554

From the findings in the table above, the majority of the respondents indicated that they moderately agreed that new graduates meet the set targets with a mean of 3.556. The respondents indicated that they moderately agreed that new graduates embrace team work with a mean of 3.571. The respondents moderately agreed that the work environment provides a friendly work place for the graduates with a mean of 3.846. The respondents moderately agreed that there is minimal supervision for the new graduates at work with a

mean of 3.452. The respondents also agreed that there is effective communication from the managers to employees that improves the productivity of employees with a mean of 3.248 and the respondents also moderately agreed that the university graduates are able to work under stress brought by various job related factors with a mean of 3.652.

In conclusion, teamwork promotes productivity in insurance companies. The new graduates along with the old employees embrace team work to be more productive in tackling new challenges in the industry and hence exemplifying positive attitude towards their work. The working environment also has to be friendly for the graduates to be productive and this includes effective communication from the managers to employees that improves the productivity of employees.

4.5 Correlation Analysis

This section presents a discussion of the results of inferential statistics. Correlation analysis was used to measure the strength of the relationship between the independent variables i.e. the relationship between knowledge and skills demand; information technology; attitude and health concerns.

The Pearson product-moment correlation coefficient (or Pearson correlation coefficient for short) is a measure of the strength of a linear association between two variables and is denoted by r . The Pearson correlation coefficient, r , can take a range of values from +1 to -1. A value of 0 indicates that there is no association between the two variables.

A value greater than 0 indicates a positive association, that is, as the value of one variable increases so does the value of the other variable. A value less than 0 indicates a negative

association, that is, as the value of one variable increases the value of the other variable decreases.

The study sought to determine the Pearson correlation coefficient between the dependent and independent variable of the study. The study findings used correlation to establish the perceived relationship between the preparedness of university graduates and their productivity at insurance companies in Kenya. The established factors under study were knowledge and skills demand; information technology; attitude and health concerns.

Table 4.6: Correlation coefficient

	knowledge and skills demand	information technology	Attitude	health concerns
Graduates' productivity	0.6251 (p=0.022)	0.4357 (p=0.024)	0.4217 (p=0.013)	0.3384 (p=0.041)

The study in table 4.6, show that all the predictor variables were shown to have a positive association between them at a significant level of 0.05 and hence included in the analysis. There was strong positive relationship between knowledge and skills demand and graduates' productivity (correlation coefficient 0.6251 with a p=value of 0.022); there was a positive relationship between information technology and graduates' productivity (correlation coefficient 0.4357 with a p=value of 0.024); there was a positive relationship between attitude and graduates' productivity (correlation coefficient 0.4217 with a p=value of 0.013) and there was a positive and significant relationship between health

concerns and graduates' productivity (correlation coefficient 0.3384 with a p-value of 0.041).

4.5.1 Correlation between Preparedness of University Graduates and their Productivity

The study sought to determine the Pearson correlation coefficient between the dependent and independent variable of the study. The study findings used correlation to establish the perceived relationship between the preparedness of university graduates and their productivity at insurance companies in Kenya. The table below shows the correlation coefficient matrix of the predictor variables.

Table 4.7: Pearson correlation coefficient

	Preparedness of university graduates	Graduates' productivity
Preparedness of university graduates	1	
Graduates' productivity	0.658	1

The study in table 4.7 shows that the predictor variable was shown to have a positive association between them at a significant level of 0.05 and hence included in the analysis. There was strong positive relationship between Preparedness of university graduates and productivity with a correlation coefficient of 0.658.

4.6 Discussion of Findings

The insurance companies indicated that the new graduates have the knowledge and skills of IT some of the graduates do not have the application part of the knowledge to fit in the insurance sector. According to Gelade, Garry & Ivery (2013), the knowledge and skill

demands in today's knowledge economy have been the subject of thorough policy and academic discussions. The diffusion of ICTs across industrial sectors, along with changing business models, has induced skill-biased organizational and technological change. Workers in a wide variety of fields have had to adapt and incorporate ICT into their jobs. Additionally, these changes increase the complexity of skills required by today's workforce and threaten the position of low-skilled workers when they do not succeed in adjusting their skills according to the shifts in the skills demanded in their job or sector of industry.

The insurance companies also observed that new graduates give out their level best in showing a positive attitude towards their work despite new challenges. Getting a new job is always not easy because the opportunities are few but the competitors are many. With this in mind, the new graduate who get the opportunity to work in the industry show and maintain a positive attitude towards new challenges along their way and conquer them to have recognition in the insurance sector. The insurance companies indicated that this motivating fresh-blood also gives a challenge to the old employees in the company as competition arises and also that the new graduates are flexible towards work challenges and hence this makes them adaptable to the changes within the company without resistance to changes compared to older employees.

The insurance companies noted that new graduates do not possess appropriate knowledge, skills and competencies in the insurance sector, but they are flexible to organizational changes and are more adaptable to the changing skills demands in the

labour market. The above analysis informs that the new graduates employed by insurance companies in Kenya have adequate knowledge on IT and are willing to learn and acquire the skills to apply in the insurance companies. The insurance companies noted that new graduates seeking for employment are not fully prepared for the real market. This therefore means that the new graduates may not be productive as required. According to Knight and Yorke (2011), graduates can be productive if they are prepared well in their academic curriculum. They consider the concept of employability to be a 'synergic combination of personal qualities, skills of various kinds and subject understanding'. It is a concept that is much more complex than the relatively restrictive key skills agenda, as focused on by Dearing et al., (2007) which has obscured a greater understanding of employability.

However, it is noted that the new graduates do not necessary have more IT skills than the old employees. The new graduates seem to have the right attitude towards work and they bring enthusiasm to the work place with the right attitude. This makes them prepared for the job because they handle what they are assigned as work on their part to do and therefore this displays a positive attitude towards their work and motivates the employer to trust them to handle any work situations. The human resources of the insurance companies indicated that most of their company covers the employees in health insurance. It is important that the employees working with insurance companies get health insurance cover, for this helps to improve on graduates' productivity at insurance companies.

There was strong positive relationship between knowledge and skills demand and graduates' productivity (correlation coefficient 0.6251 with a p=value of 0.022); there was a positive relationship between information technology and graduates' productivity (correlation coefficient 0.4357 with a p=value of 0.024); there was a positive relationship between attitude and graduates' productivity (correlation coefficient 0.4217 with a p=value of 0.013) and there was a weak positive relationship between health concerns and graduates' productivity (correlation coefficient 0.3384 with a p=value of 0.041).

According to Peddle (2011), the relationship between university graduates' higher education and their productivity should provide alternative as one of the fastest ways providing solutions to challenges facing many business organizations in the 21st century. He argues that education empowers people and provides them with skills that stimulate all facets of development. On the contrary, the education sector in developing countries has not managed to positively impact on productivity, and many commentators have highlighted the deplorable state of the country's educational system from the primary and secondary to the tertiary levels.

According to UNESCO (2009) findings have fronted concerns with the problems at the tertiary level though admittedly, the problems begin from the lower levels of education. Poor standards at the primary level translate to every other level of the educational sector.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings, discussions of the findings, conclusions, recommendations and suggestions for further studies.

5.2 Summary of Finding

The study established the demographic information of the respondents and revealed that the females are more than the male counterparts in the Human resource departments of the insurance companies. The highest level of education for the respondents was a bachelor's degree and above to doctorate level of education. The duration of operation of the insurance companies for the majority of the companies was 21 years and above and also the majority of the respondents had worked in the insurance companies for more than 10 years and above.

The main purpose of the study was to determine the relationship between the preparedness of university graduates and graduates' productivity in insurance companies in Kenya. The study established that university education aims to produce competent graduates with the ability to be productive at the companies with this facilitating the smooth integration into professional practice. The study determined that new graduates have the knowledge, skills and competencies in the IT sector but lack the ability of application for the insurance sector. The insurance companies gave their reason indicating that the new graduates have the knowledge and skills of IT some of the

graduates do not have the application part of the knowledge to fit in the insurance sector. The insurance companies observed that new graduates seeking for employment are not fully prepared for the real market. This is seen from the introduction of the new graduate seeking job with unpolished curriculum vitae; no revision and background check done of the insurance company and also minimal knowledge on the current affairs in the insurance sector.

The study established that new graduates give out their level best in showing a positive attitude towards their work despite new challenges. The insurance companies noted that getting a new job is always not easy because the opportunities are few but the competitors are many. With this in mind, the new graduate who get the opportunity to work in the industry show and maintain a positive attitude towards new challenges along their way and conquer them to have recognition in the insurance sector. The insurance companies also noted that this motivating fresh-blood also gives a challenge to the old employees in the company as competition arises. Insurance companies agree that new graduates are flexible towards work challenges and also that the new graduates are easily adaptable to changes. The insurance companies noted that the new graduates are flexible towards work challenges and hence this makes them adaptable to the changes within the company without resistance to changes compared to older employees.

The study established that information technology affects the productivity of employees to a great extent. This is because the graduates receive knowledge on IT and hence develop skills on the application in the insurance sector. The new graduates show a

willingness to learn more about IT. The graduates are trained on the job entry about IT skills required by the company and the graduates are more effective on IT skills than the old employees.

The study established that knowledge and skill demands influence employee's productivity to a great extent. The factors that contribute to this are that graduates are flexible to organizational changes and that they are more adaptable to the changing skills demands in the labour market.

The study revealed that attitude influences employees' productivity to a great extent with graduates showing a right attitude towards work. They bring enthusiasm to the work place with the right attitude and this is refreshing. The graduates are not choosy when it comes to assigned work and they display positive attitude towards their work most of the times.

The study established that the extent to which the insurance companies agree on the relationship between preparedness of university graduates and productivity. To establish their productivity the new graduates meet the set targets in their assigned worked; they embrace teamwork; the work environment provides a friendly work place for the graduates; there is minimal supervision for the new graduates at work; effective communication from the managers to employees that improves the productivity of employees and that university graduates are able to work under stress brought by various job related factors.

5.3 Conclusion

The study concludes that the labour market has changed noticeably over the years due to the information and technology revolution. As such, in order to function effectively in the twenty-first century, students require new skills and competencies. In today's ascetic economic climate, work experience not only provides the connecting link between academic and vocational training, it is a prerequisite for securing future employment.

The study concludes that graduates' preparedness involve acquiring appropriate knowledge, skills and competencies in the IT sector. These graduates become prepared for the job market by possessing knowledge and skills and hence making them to be reliable in the job market for Insurance and other industries. Acquiring skills of the graduates starts at the school level to the practical knowledge in participating in the work experience, providing them first-hand experience in the job market.

5.4 Recommendations

The study recommends that the universities and higher education institutions should develop policies and regulatory frameworks to enable the students to have a platform to gain first-hand experience in the job market. The universities and higher education institutions should also introduce courses on insurance sector in their academic curriculum to educate the students on the insurance industry from the academic angle to the provision of attachments and internships with partnered insurance companies to provide students with first-hand experience in the job market.

The study recommends that insurance companies should create varied influence to the education curriculum that would be in a position to meet the varied needs of their employees and hence achieve optimal economical results. The insurance companies should develop policies on effective employment criteria.

The study recommends that work experience has become a valuable tool for prospective employers and employees. Work experience prepares students for the work world by providing exposure to what is required in terms of core competencies, as well as increasing students' soft skills. Not all work experience programmes are adequately structured to meet the needs of students, school communities and host companies. Partnerships among these stakeholders have long term intrinsic and extrinsic benefits for students, school administrators and employers which ultimately improves the quality of our human resources for the workforce. Work experience should be mandatory at the university level so that all students can be exposed to real life perspectives to transition smoothly to the workforce. There is a need to enhance the structure of the programme to benefit all stakeholders in a more meaningful manner.

5.5 Recommendation for Further Study

This study focused on the perceived relationship between the preparedness of university graduates and their productivity at insurance companies in Kenya covering the insurance industry in the country. The study suggests that a similar study be conducted as a comparison to establish the relationship between the preparedness of university graduates

and their productivity in other industries and sectors in Kenya, for example the banking sector, manufacturing industries etc.

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APPENDICES

Appendix I: Letter of Introduction

University of Nairobi
Department of Business Administration
P. O. Box 30197-00100
NAIROBI

Dear Sir/ Madam

**RE: PERCEIVED RELATIONSHIP BETWEEN THE PREPAREDNESS OF
UNIVERSITY GRADUATES AND THEIR PRODUCTIVITY AT INSURANCE
COMPANIES IN KENYA**

I am a post graduate student of the University of Nairobi pursuing a degree of master's in Business Administration. I am conducting a study on the above stated topic and your company has been chosen to participate, I hereby humbly request your permission to do data collection in your institution. The responses given will be used strictly for academic purposes. To this effect do not indicate your name or that of your institution for confidentiality purposes.

Thank you very much for your cooperation.

Yours sincerely,

Scolastica Nkatha Muthamia

Reg No: D61/ 61148/2013

Appendix II: Questionnaire

This questionnaire has been designed for the sole purpose of collecting data on the perceived relationship between the preparedness of university graduates and their productivity at insurance

companies in Kenya. The data collected will be treated with a very high degree of confidentiality and it is meant for academic purpose only. A copy of analysis will be sent to you upon request.

Section A: General Information

1. Indicate your gender

Male [] Female []

2. Indicate your highest education level

Master’s degree [] Bachelor’s degree [] Post graduate diploma [] Doctorate []

3. How long has your company been in operation?

2-5 years [] 6-10 years [] 11-15 years [] 16-20 years [] 21 years and above []

4. How long have you worked in this company?

6 months – 2 years [] 3-6 years [] 7-10 years [] 11 years and above []

Section B: Preparedness of university graduates and productivity

5. To what extent do you agree to the given statements on graduates’ preparedness as a factor that influences their productivity? Please rate your response on the given five point-likert scale where 1= strongly disagree to 5= strongly agree

Preparedness	1	2	3	4	5
New graduates take up new challenges in the industry, exemplifying positive attitude towards their work					
New graduates are flexible towards work challenges					

The new graduates are easily adaptable to changes					
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Information Technology

6. To what extent do you agree to the given statements on information technology as a factor the influence their productivity? Please rate your response on the given five point-likert scale where 1= strongly disagree to 5= strongly agree

Statement	1	2	3	4	5
The graduates received have knowledge on IT					
The graduates have the willingness to learn more about IT					
The graduates are trained on job entry about IT skills required by the company					
The graduates are more effective on IT skills than the old employees					

7. To what extent does information technology affect the productivity of employees?

Very great extent [] Great extent [] Moderate extent [] Less extent []
 No extent []

Knowledge and skill demands

8. To what extent do you agree to the given statements on changing skill demands as a factor the influence their productivity? Please rate your response on the given five point-likert scale where 1= strongly disagree to 5= strongly agree

9.

Statement	1	2	3	4	5
New graduates possess appropriate knowledge, skills and competencies in the IT insurance sector					
University graduates are prepared for the job					
The graduates are flexible to organizational changes					
The graduates are more adaptable to the changing skills demands in the labour market					

10. To what extent do the changing skill demands influence employee's productivity?

Very great extent [] Great extent [] Moderate extent [] Less extent []

No extent []

Attitude

11. To what extent do you agree to the given statements on attitude as a factor the influence their productivity? Please rate your response on the given five-likert scale where 1= strongly disagree to 5= strongly agree

Statement	1	2	3	4	5
The graduates have the right attitude towards work					
The graduates bring enthusiasm to the work place with the right attitude					
The graduates are not choosy when it comes to being assigned work that they were not called in for					
The graduates display positive attitude towards their work					

Health concerns

12. Does the company cover the employees in health insurance?

Yes [] No []

13. Did you miss this time because of problems with your own health, the health of someone else, or for some other reason? (Circle all that apply)

a. Own health b. Other’s health c Other reason

14. To what extent do you agree to the given statements on the relationship between preparedness of university graduates and productivity? Please rate your response on the given five-likert scale where 1= strongly disagree to 5= strongly agree

Productivity					
Do new graduates meet the set targets?					
New graduates embrace team work					
The work environment provides a friendly work place for the graduates					
There is minimal supervision for the new graduates at work					
There is effective communication from the managers to employees that improves the productivity of employees					
Are the university graduates able to work under stress brought by various job related factors?					

THANK YOU FOR YOUR PARTICIPATION!!

Appendix III: List of Registered Insurance Companies in Kenya (IRA 2013)

1. AAR Insurance Kenya Limited
2. A P A Insurance Limited
3. Africa Merchant Assurance Company Limited
4. Apollo Life Assurance Limited
5. AIG Kenya Insurance Company Limited
6. British-American Insurance Company (Kenya) Limited
7. Cannon Assurance Limited
8. Capex Life Assurance Company Limited
9. CFC Life Assurance Limited
10. CIC General Insurance Limited
11. CIC Life Assurance Limited
12. Continental Reinsurance Limited
13. Corporate Insurance Company Limited
14. Directline Assurance Company Limited
15. East Africa Reinsurance Company Limited
16. Fidelity Shield Insurance Company Limited
17. First Assurance Company Limited
18. G A Insurance Limited
19. Gateway Insurance Company Limited
20. Geminia Insurance Company Limited
21. ICEA LION General Insurance Company Limited
22. ICEA LION Life Assurance Company Limited
23. Intra Africa Assurance Company Limited
24. Invesco Assurance Company Limited
25. Kenindia Assurance Company Limited
26. Kenya Orient Insurance Limited
27. Kenya Reinsurance Corporation Limited

28. Madison Insurance Company Kenya Limited
29. Mayfair Insurance Company Limited
30. Mercantile Insurance Company Limited
31. Metropolitan Life Insurance Kenya Limited
32. Occidental Insurance Company Limited
33. Old Mutual Life Assurance Company Limited
34. Pacis Insurance Company Limited
35. Pan Africa Life Assurance Limited
36. Phoenix of East Africa Assurance Company Limited
37. Pioneer Assurance Company Limited
38. Real Insurance Company Limited
39. Resolution Insurance Company Limited
40. Shield Assurance Company Limited
41. The Heritage Insurance Company Limited
42. The Jubilee Insurance Company of Kenya Limited
43. The Monarch Insurance Company Limited
44. Trident Insurance Company Limited
45. UAP Insurance Company Limited
46. UAP Life Assurance Limited