*International Journal of Business and Management Invention (IJBMI)*
*ISSN (Online): 2319 – 8028, ISSN (Print): 2319 – 801X*
*www.ijbmi.org || Volume 13 Issue 12 || December, 2024 || PP: 70-81*

# Analysis of Strategy Evaluation Techniques on performance of Insurance Companies in Kenya: A study of Kenya Orient Insurance Limited, Kenya

[1]Brian Hamisi Kitsao
*E-mail Address: kitsao.brian@yahoo.com*
*Scholar, Faculty of Business Studies, University of Lucknow, India*

[2]Prof. Ajai Prakash, PhD
*E-mail Address: ajaiprakash1@gmail.com*
*Lecturer, Faculty of Managment Studies, University of Lucknow, India*

[3]Dr. Evans Nyamboga Mandere, PhD
*E-mail Address: evansnyambogam@gmail.com*
*Lecturer, Business & Economics, Mt. Kenya University*

***Abstract***
***Purpose****: Kenya's insurance performance has been unsteady causing a worrying concern among senior management. Insurance companies have continued to struggle in adopting various strategy evaluation techniques to withstand the market dynamism causing inefficiencies and high combined ratio in the performance (AKI 2016; Kampire, 2012). This study's aim was to examine strategy evaluation techniques' impact on the performance of insurance companies in Kenya.*
***Design:*** *The research employed descriptive design. The study sample was restricted to Kenya Orient Insurance Limited employees. A census study consisting of all 154 employees of Kenya Orient Insurance Limited was preferred because it eliminated errors related to sampling. Data was described using of frequency tables and measures of central tendency. A structured questionnaire was used as to obtain data. The association between variables was examined using correlation and regression.*
***Findings:*** *The correlation coefficient (r) findings showed that there existed a high level of association between the variables and the insurance company's performance. Further, regression analysis results revealed the existence of a strong and noteworthy association between the performance of Kenya Orient Insurance limited and the independent variables, Balanced score card, 360 degree evaluation and factor rating.*
***Practical Implication:*** *By presenting findings that show the impact of adopting the Balanced Scorecard, $360^0$ and factor rating evaluation techniques in assessing insurance businesses' performance, this study benefits education in various ways, thus providing a framework that both scholars and practitioners of performance measurement can build upon when improving performance assessment methods in Kenya's insurance industry.*
***Keywords:*** *Balance Score Card, Strategy Evaluation, Insurance Company's Performance, Strategy Evaluation Techniques, Strategy, 360 Degree evaluation*

---

Date of Submission: 14-12-2024 Date of acceptance: 29-12-2024

---

## I. Introduction

Strategy evaluation is a continuous and cyclical process that should be flexible in light of the exponential shift in today's strategy world (Mintzberg, 2003). According to Kotler (2020), strategy evaluation is the continuous procedure of figuring out how well a strategy works to achieve a company's goals. Porter (2022) asserts that evaluation processes enable firms to identify threats in the competitiveness scope so that they adapt to the right strategy for strategic advantage. Though, to some extent, the differences in viewpoints may be understood from the regions on which the strategy arguments are founded, many thinkers have examined various aspects of corporate strategy systems throughout the years (Sarbah & Nyarko, 2014).

The definitions of evaluation and the appropriateness of strategic evaluation tools have changed over the past few decades due to intense discussion. This has produced a large body of work on the issue necessitating systems and procedures that allow the businesses evaluate their advancements in accomplishing objectives and if necessary, take corrective action (Kitsao & Mandere, 2021). Techniques for evaluation are useful in this situation. Without evaluation, most organizations would find it impossible to ascertain their goal fulfilment, and in that scenario, developing a plan would be pointless (Hunger & Wheelen, 2011). According to

Strydom (2012), strategy evaluation is a thorough analysis that identifies the reasons behind the failures and successes of a certain approach in terms of goals, performance standards, or any other performance indicator.

Germany has prioritized strategy evaluation to drive the country's strategies. In 2008, a two-year system review was initiated with the ambition to perform the evaluation system analyses in that country. In the review from the study of twenty German development cooperation agencies, the recommendation was made to establish an independent evaluation agency that would advise and support the Federal Ministry for Economic Cooperation and Development on system development and the development cooperation organizations and thus enhance the quality and reform the evaluation system as a whole. To address this scenario, The German Institute of Development Evaluation (GIDE) was developed in 2012 to undertake evaluations of development interventions for Germany, basically for sound policy making. GIDE was established by the Federal Ministry for Economic Cooperation and Development to provide impartial recommendations, and its reports included analysis of German development engagements in Myanmar, Rwanda & Afghanistan. It is rightfully a simple statement from the official page of Centre for public impact organization.

In India, a study of the government evaluation systems was done and it was deduced during the Eleventh Strategy period (2007–12). India had reached a new phase in the development of its evaluation role due to various progresses. It was emphasized that an online MIS system be built for all leading programs of the central government to check of the execution of the leading programs of the central government. The central government then created a Performance Management and Evaluation Structure in the Cabinet Secretariat. As a last point, the Planning Commission selected to make another Independent Evaluation Office (IEO), at a manageable distance from the Planning Commission, which started working in 2013 (Mehrotra, 2013)

**1.1.1 Strategic Evaluation Techniques in Kenya**

In Kenya, several organizations continually rethink their procedures because of solid challenge, dynamic business condition and capricious changes in client requests to accomplish their objectives and goals (Yusuf, 2015). Strategic evaluation techniques provide means through which crucial information about organization's success. Recommendations on how to face problems and inadequacies found in the evaluations can be made. It is also important that we establish other performance assessment tools that are more accurate and hence establish KPIs for every employee and for every category of jobs in the organization (Somi, 2017). Srivastava & Prakash (2014), note that various techniques of evaluating strategies are necessary in understanding the complexes of organizational performance.

**1.1.2 Performance of Insurance Companies in Kenya**

Existing studies establish that within the Kenyan insurance industries, the key performance indicators are profitability, operational efficiency and customer satisfaction (Morara & Sibindi, 2021). Measures put in place by the Insurance Regulatory Authority (IRA) have sought to enhance professionalism and consistently in the industry through such pillars as; accountability, and transparency, solvency and risk management, enhanced competition among insurance companies. However, factors such as; low insurance density, business dependence on the traditional distribution network and economic risks, have caused slow growth and profitability. For instance, the growth rate is still slow at 2.4% penetration rate, which is below the global average to prove the need for increasing sensitization and availability of local products and services (Mutua, 2023). New trends under this category include mobile insurance solutions, and key has in shedding the probability of expansion of its coverage to the unserved markets hence increasing the access and even efficiency in general (Ng'ang'a & Wafula, 2022).

**1.1 Statement of the Problem**

Kenyan insurers experience high combined ratios, and fluctuating profitability, which calls for scrutinization of strategy evaluation techniques. Flawed evaluation frameworks lead to low underwriting revenues, weak market relevance and operational ineffectiveness (Anwar & Hasnu, 2016; Kaplan & Norton, 2001)

The gross premium written by the end of 2023 in the Kenyan insurance sector stood at Kshs. 361.36 billion (IRA industry report, 2023). This represented a 16.7% increase over the GWP of Kshs. 309.77 billion for the same period in 2022. However, the underwriting results for the general insurance business deteriorated from a KES 3.72 billion loss in Q4 2022 to a KES 4.96 billion loss in Q4 2023. The insurance industry in Kenya had a 2023 combined ratio of 287.0 percent from 140.6 percent in 2022. The combined ratio is significantly worse when compared to Morocco's 94.0% during the same time frame; Cyton, FY 2023 insurance industry report.]

Previous studies (Chepkwony, 2016; Waweru, 2022) have looked at the effect of strategy evaluation on performance but none has examined individual tools like balanced scorecard, factor rating, and 360-degree evaluating methods in the insurance sector. Currently, high combined ratios, and fluctuating profitability, calls for scrutinization of strategy evaluation techniques. That gap is what this study seeks to fill by examining how strategy evaluation methodologies affect the performance of insurance businesses in Kenya.

**1.3 Objective of the Study**
To analyze influence of strategy evaluation techniques on performance of insurance companies in Kenya

**1.4 Research Questions**
i. How does the Factor Rating technique affect the performance of insurance firms in Kenya?
ii. To what extent does the strategy evaluation of implementing the Balanced Scorecard impact the insurance companies' performance in Kenya?
iii. In what way does the 360-degree evaluation affect the insurance companies' performance in Kenya?

## II. Literature Review

This section discusses the conceptual framework that fundamentally explains the link between variables, a description of the literature review and research gaps, and an empirical review based on the study goals.

**2.1 Theoretical Review**
Two theories served as the foundation for this investigation: The contingency theory and the resource-based perspective theory,

**2.1.1 Contingency Theory**

The theory was suggested by Fred Edward Fiedler (1964), and explains that there always exist factors which affect the direct positive or negative interdependence of both independent and dependent variables in an organizational behavior. It centers on the idea Restricted was picked as a case in light of the fact that organizations. Organizations are not supposed to be managed by one-size-fit-all style. Instead they need to work out distinctive managerial strategies depending on the specific situations they are facing. This theory confirmed that there is no closest to perfect approach to organize a firm, lead it, or make a decision, but the best way to proceed is dependent on the organizational internal and external circumstances. (Jofre, 2011)

The principal advantage of this theory is its ability to be flexible in applying approaches to organizational processes, enhancing efficiency (Burns & Stalker, 1961). Nonetheless, arguably the main weakness, if not handled carefully, is its open system aspect which mandates of managers to actively evaluate the organizational environment in an organized and systematic manner, which in turn can entail significant amounts of costs. The theory doesn't specify precise, practical recommendations for managerial action, because the numerous situational factors can be confusing in practice (Fiedler 1967) hence criticized.

This theory can be important in the selecting of the best strategy evaluation techniques applicable to a specific situation to get the accurate results. For example, performing a SWOT analysis may not be the best for all strategic evaluation stages, but at times it may be good for an organization to consider the evaluation technique before adopting it.

**2.1.2 Survival Based Theory**

The theory was established by Herbert Spencer (1897) and states that in order for an organization to exist, it must continuously adapt to its competitive environment (Abdullah, 2010). To remain competitive and ensure their survival, organizations should be prepared to embrace change in this dynamic environment. As per the theory, one should expect changes in this dynamic environment to happen which challenges organisations for adapting if they are to remain sustainable and relevant. This theory takes the view that fitness will be the most important determinant in the environment. In the case of an organization to be viable, strategies which emphasize the issue of lean operations and fast response to the changes in a competitive environment should be employed.

Its main strength is that it suggests that firms must adapt and respond to environments because adaptable firms are often likely to succeed. One disconnection, though, is it can distort rich organizational processes by attributing effectiveness predominantly to fitness, ignoring internal drivers such as innovation and leadership (Hannan & Freeman, 1984). A main criticism leveled at survival-based theory is that it lacks strategy and agency implying that organization success is just a function of environmental forces, might not fully explain situations where organizations influence their environments (Aldrich, 1979).

**2.2 Theoretical Framework**
The theories underpinning the study variables were presented in figure 1

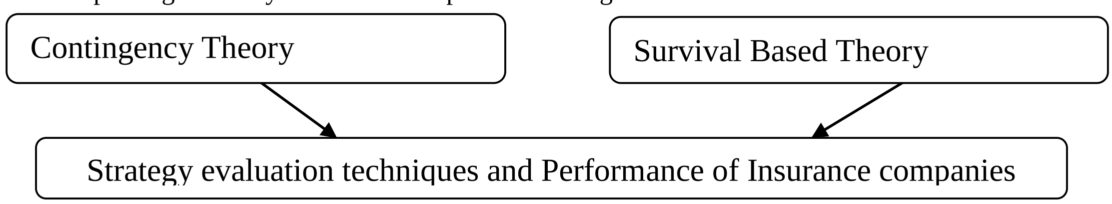


**Figure 1: Theoretical framework**

**Source: Researcher (2024)**

## 2.2 Empirical Review

### 2.2.1. Key Factor Rating (KFR) and Insurance Companies' Performance

KFR is a technique that considers organizational effectiveness from all angles. It is a technique for assessing many possibilities based on a number of carefully chosen parameters. This approach primarily consists of ranking various elements using different inquiries after considering important factors in several domains and assessing success. The approach builds up an incentive for each alternative that encompasses all aspects, allowing decision makers to combine both quantitative and subjective data while providing a prudent foundation of examination dependant on factor rating. In key factor rating, the choice with the highest composite value is selected after the attributes of the alternatives are given numerical factors based on the information that is available.

Nyabuto (2017) used Bidco Africa as a case study to investigate the elements impacting hierarchical execution in the assembly domain. The study investigated how hiring practices affect hierarchical performance, how employee performance reviews affect organizational performance, how much training improves organizational performance, and how talent management affects organizational execution. Descriptive design was employed to explain data using quantitative techniques, such as tables, and qualitative techniques to assess the data, with a study population of 400 and a sample of 100 employees.

As per the study's findings, performance was enhanced by the recruiting and selection process that was used and individual and organizational performance was enhanced by an open and objective performance review. At that time, the study recommended that performance reviews be conducted as frequently as feasible. Employee training and career advancement should be encouraged by the organization, to ensure availability of training opportunities, learning and growth inside the enterprise. Executive officials should devote a significant amount of their time to managing the organization's management problems. The study however failed to examine strategy evaluation techniques' influence on and their effectiveness on organization's performance

### 2.2.2. Balanced Score Card (BSC) and Performance of Insurance Companies

BSC is an authoritative system that gives floor for organization to illuminate their vision and key plans then converts them into actions and finally give adequate feedback about both inner procedures and outside business results (Lesákováa, & Dubcováb, 2016)

In his study, Ondieki (2017) investigated what impact BSC had on authoritative execution in the open division. Using a case of Kenya Bureau of standards (KEBS), the study aimed at finding out how financial perspective measurement affect performance in public sector, how learning and development affect performance in public sector, how customer involvement affect organizational performance, and how workers' involvement affect public sector organization's performance consequently from BSC. A sample of 250 from a population of 700 was used and bivariate analysis and person's product-moment correlation applied. The study found that the four dimensions of BSC namely; finance, internal business perspective, innovation and customer perspective have an influence on the performance of organization. The study concluded that when finances are put in to good use, shareholders get satisfied and there comes an affirmative effect on the perception of the employee's organization and largely performance of the firm. Additionally, the report suggested for companies to involve employees on strategy evaluation aspects and implementation as they are the ones to implement change for improvement.

Kairu *et* al (2013) investigated the effects of BSC on performance of firms in the service sector. The study used a sample of 200 service providing firms and applied descriptive statistics on the data. The study's findings revealed that when both non-financial and financial measures are incorporated in the system, it leads to a superior result. The study reasoned that BSC offers helpful performance estimations that apply to all associations to enable them manage their overall performance.

Khatoon & Farooq (2015) also conducted a study on balance scorecard as a device to impact hierarchical execution utilizing proofs from Indian organizations. The study aimed to discover the extent to which BSC gets utilized in assembling and administration, to find how much BSC has been utilized out in the open and private Sector association and to tour the connection between a BSC and its construct on organizational performance. The research used a sample of 250 companies, and applied sample t-test and correlation on the data. Discoveries indicated a significant connection between equalization scorecard and hierarchical execution. The end was that fair scorecard and its build decidedly sway the presentation of the association. The investigation further reasoned that Indian associations had incorporated the element of adjusted scorecard (BSC) as an instrument to impact authoritative execution. Prescribed that BSC ought to be utilized to assess viable authoritative execution on a day by day schedule so as to organize a wide scope of business tasks and increase the value of BSC.

### 2.2.3. 360 Degree Evaluation Technique and Performance of Insurance Companies

The 360-degree evaluation is an employee or organizational performance assessment technique that taps the collective knowledge of those working closely to the employer or organization for example, a supervisor, external and internal clients, colleagues and Managers.

El-Haddad, et al (2018), did a research on the impact of 360 input evaluation frameworks on hierarchical equity and manageability, the interceding jobs of sex and administrative levels. The Study's goal was to broaden past outcomes exhibiting a factually huge causal connection between the usage of 360-degree input in an association and representatives' recognitions of organizational justice. The study analyzed the supportability of this justice, thus making it a necessary piece of the organizational culture. The study examined whether the former models were uniform across various levels of management. Using a sample of 400 employees, a structural equation modeling multi-group analysis was applied to the study. The study further applied tests for variance. The study contested past discoveries on the connections among appraisal, authoritative equity and maintainability among respondents of various sexual orientations and at various administrative dimensions. The examination inferred that top chiefs and administrators can fuse sex and administrative dimension contrasts.

Yao & Yan-ping (2009) examined the Effectiveness Analysis of 360 Degree Effect Feedback in Nursing Supervision. The study wants to analyze the power of 360 degree impact criticism in nursing supervision Impact lists at the different dimensions were determined first, covering 4 measurements of uprightness, capacity, work participation and execution, which included 16 factors. At that point by means of objective-subjective weighting, the weight coefficient of each factor was determined. Furthermore, through 360 degree impact feedback, an appraisal in the five files of avoidable scores, nursing grievances, occurrence rate of nursing inadequacies, "three-basics" checking and patients' fulfillment was made of the considerable number of medical attendants over the emergency clinic by the bosses, subordinates, the companions, patients and the medical caretaker himself/herself, the outcome feedback to the medical caretaker in time. The study used Chi-square to determine the relationships among the variables. The study's results were; $\chi 2$ for the incident rate of scores when the doing of the framework was 7.06 (P0.01); that for the patients' grumblings enlisted 3.86 (P0.05); that for the nursing inadequacies did 4.56 (P0.05); and in the "three nuts and bolts" checking, t=2.16, t=2.93 (P0.05). The distinctions in all the above were factually noteworthy. As far as the patients' fulfillment, $\chi 2$=2.71 (P0.05), without factual hugeness, however on the ascent from 91.95 to 94.66. The study concluded that 360-degree impact feedback can improve medical caretakers' general quality from different points and upgrade the adequacy of nursing the executives

**2.2.2 Conceptual Framework**

The association between the variables under consideration in the study was explained by the conceptual framework.

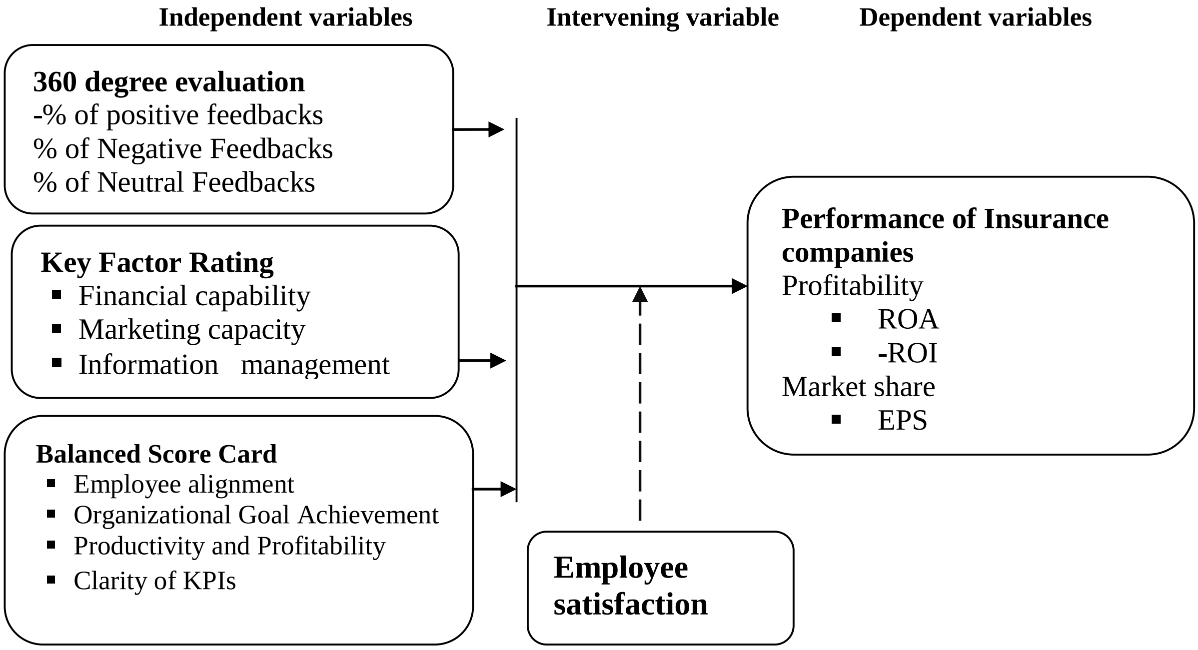


**Figure 2: Conceptual Framework**

Source: Researcher (2024)

**2.4 Research Gap**

Kairu et *al* (2013) study on the effects of balanced scorecard on service sector's used a sample of 200 service providing firms and applied descriptive statistics on the data. The study established that non-financial measures are also important in measurement systems. In essence, when both non-financial and financial factors are incorporated in the system, it leads to a superior result. The study failed to find out the influence of other strategy evaluation techniques and thus has a narrow perspective. There are also no studies done on the analysis of strategy evaluation techniques on insurance companies' performance in Kenya and this study aims to address the research gap by determining how strategy evaluation techniques influence insurance companies' performance in Kenya.

## III. Research Design and Methodology

In addition to discussing the chosen structure's research plan, this section describes the examination approach used in this inquiry. Additionally discussed are the study's target population, sample, sampling methods, and information-gathering strategies.

### 3.1 Research Methodology

A mixed method approach was used the study involved both quantitative and qualitative data. A questionnaire with closed and open ended questions was used. This approach was appropriate in achieving the goals of descriptive research in both the aims and the purpose of the phenomenon and the causes that contribute to it.

### 3.2 Research Design

The research employed a descriptive design. This was done on the basis that descriptive design is used to show "what exists" in terms of elements or circumstances in a situation and to gather data about present phenomena. The issues of who, what, when, where, and how a particular miracle was tied to a particular scientific topic were all addressed, but the question of why was not conclusively answered. Using a questionnaire, information on the outcome and predictor variables was gathered. All scales were adapting from existing literature.

### 3.3 Target Population

The study targeted a population of all the Kenya Orient Insurance Limited employees from all branches in Kenya who belong to the management level and supervisors, and service associates directly; Managers, Supervisors, and Service associates. These were 154 in number at the time of study

**Table 1: Sampling Frame**

| S/No | Portfolio | Male | female | Target Population | Population (%) |
|---|---|---|---|---|---|
| 1 | Managers | 13 | 10 | 23 | 15 |
| 2 | Supervisors | 10 | 13 | 23 | 15 |
| 3 | Service Associates | 90 | 18 | 108 | 70 |
| **Total** | | **113** | **41** | **154** | **100** |

**Source:** Kenya Orient Insurance Limited (2021)

### 3.4 Sampling Procedure and Technique

The study employed the census sampling approach in order to find study participants. The sample attracted every individual in the population. This made sure that every person in the population was chosen for the research. This was significant since it removed sampling mistakes.

### 3.5 Sampling Population

Because of the tiny and well-defined population, the researcher performed a census survey in order to obtain objective and decisive response from all members of the population.154 people made up the sample size.

### 3.6 Data Analysis Techniques and Procedures

The "coefficient of determination" - ($r^2$) - quantified predictor variables' influence on the outcome variable, while Pearson's product-moment correlation coefficient (r) determined the association between the dependent and independent variables. Measurement and sampling errors were provided. All independent variables having a strong connection with outcome variable during the bivariate analysis were considered to be using multiple straight relapses. Every test had two sides. The threshold for statistical significance was set at $p<.05$. Because SPSS can analyze vast amounts of data including both quantitative and qualitative data in a broad range, the researcher utilized it.

## IV. Study Findings

The research study's findings are presented and discussed in this chapter. Tables are used to display the results.

### 4.1. Descriptive Statistics

#### 4.1.1 Key Factor Rating (KFR) and Insurance Companies' Performance

Respondents were asked to rate their agreement or disagreement with comments about KOIL's Key Factor Rating Evaluation. The replies were evaluated on a "5-point Likert scale". "1= strongly disagrees", "2 = "disagree", "3 = neutral", "4 = agree" and "5 = strongly agree". Table 2 below shows the results.

**Table 2: Key Factor Rating Analysis and Performance of Insurance Companies**

| Statements<br>Key factor rating analysis at my work place…. | Mean | Std. Deviation |
|---|---|---|
| "Enhances financial capability". | 4.07 | 0.731 |
| "Aims to boost operational and marketing capabilities". | 4.14 | 0.777 |
| "Enhances profitability and shareholders' value by ensuring employees work towards attaining positive results." | 3.85 | 1.031 |
| "Enhances demonstrated commitment to evaluation by senior management and leadership." | 4.02 | 0.854 |
| "Helps determine the nature of adjustments needed on my performance to attain overall organizational performance" | 4.20 | 0.893 |
| "Allow me relate my work to the organizational objectives and be inspired to do more hence enhancing customer retention thus enhancing profitability" | 4.10 | 0.894 |

**Source:** Field data (2021)

Table 2 above provides the finding to the respondents' perception where they agreed that the key factor rating analysis assists them to identify nature of adjustment required on their part to achieve overall organizational performance with a mean score of 4.20. The respondents also agreed that the key factor rating analysis at their work place aimed to support operation and marketing capabilities of the firm thus organization as a whole (Mean=4.14);and analysis results enabled them understand how their work could contribute to the organization's goals and objectives hence do more to retain customers thus boost profitability(Mean=4.10). Furthermore, when asked whether key factor rating analysis at the work place enhanced other benefits including: The respondents' responses are as follows: financial capability: Mean = 4.07 Demonstrated management and leadership commitment to evaluation: Mean = 4.02

### 4.1.2 Balanced Score Card (BSC) and Performance of Insurance Companies

The study also aimed to examine how BSC affected Kenyan insurance firms' performance. Respondents were asked to rate their agreement or disagreement with statements KOIL's BSC Replies were evaluated on "five-point Likert scale". "1= strongly disagrees", "2 = "disagree", "3 = neutral", "4 = agree" and "5 = strongly agree".

**Table 3: Balanced Score Card and Performance of Insurance Companies**

| Statements<br>Balanced score card….. | Mean | Std. Deviation |
|---|---|---|
| Is seen as a common drive for strategy evaluation in all employees. | 4.11 | 0.675 |
| Enables me to perform to achieve organizational goals. | 4.13 | 0.771 |
| Key performance indicators are clearly stated in the BSC. | 4.30 | 0.898 |
| Has resulted in high productivity as far as customer service and profitability is concerned. | 4.12 | 0.871 |
| Has enhanced employee motivation leading to increment in Gross written premium and customer retention. | 4.04 | 0.606 |

**Source:** Field data (2021)

As shown in Table 3, the respondents agreed that key performance indicators were clearly stated in the BSC (mean score = 4.30). The respondents also agreed that balanced score card enabled them to perform to achieve organizational goals (mean score = 4.13); and that BSC in Kenya Orient Insurance Limited Kenya had resulted in high productivity as far as customer service and profitability is concerned (mean score = 4.12). The respondents further agreed that balanced score card was perceived to be the common drive for strategy evaluation in all employees (mean score = 4.11); and that BSC had enhanced employee motivation leading to increment in gross written premium and customer retention (mean score = 4.04).

### 4.1.3 360 Degree Evaluation Technique and Insurance Companies' Performance

The research further aimed to examine how 360 degree evaluation technique affects Kenyan insurance firms' performance. Respondents rated their agreement or disagreement with the given statements. A "five-point Likert scale" was used to evaluate the replies.
"1= strongly disagrees", "2 = "disagree", "3 = neutral", "4 = agree" and "5 = strongly agree" and results put in Table 4.

**Table 4: 360 Degree Evaluation Technique and Insurance Companies' Performance**

| Statements | Mean | Std. Deviation |
|---|---|---|
| A systematic analysis of various organizational functions or activities to identify Self-directed learning, Organizational learning; and Knowledge Management Capability is considered in our strategy 360 degree evaluation framework. | 3.90 | 0.622 |
| My organization has enhanced more Self-directed learning, Organizational learning; and Knowledge Management Capability compared to my former organization | 3.86 | 0.740 |
| 360 degree evaluation has enabled me to effectively mitigate the organizational weaknesses and enhance the organizational strengths. | 4.36 | 0.728 |
| 360 degree evaluation makes my company to exploit key factors and opportunities faster than its competitors. | 4.20 | 0.844 |
| 360 degree evaluation has enhanced profitability by Self-directed learning, Organizational learning; and Knowledge Management Capability | 3.85 | 0.853 |

**Source:** Field data (2021)

The study results show that the respondents agreed that 360 degree evaluation had enabled them to effectively mitigate the organizational weaknesses and enhance the organizational strengths (mean score= 4.36); and had also made the company to exploit key factors and opportunities faster than its competitors (mean score = 4.20). The respondents further agreed that a systematic analysis of various organizational functions or activities to identify self-directed learning, organizational learning; and knowledge management capability was considered in the 360 degree evaluation framework (mean score = 3.90).

In addition, respondents concurred that their organization had enhanced more self-directed learning, organizational learning; and knowledge management capability compared to their former organization (mean score = 3.86); and that 360 degree evaluation had enhanced profitability by self-directed learning, organizational learning; and knowledge management capability (mean score = 3.85).

**Performance of Insurance Firms**

Respondents were asked to rate their agreement or disagreement with the given statements in regards to performance. A "five-point Likert scale" was used to evaluate the replies. "1= strongly disagrees", "2 = "disagree", "3 = neutral", "4 = agree" and "5 = strongly agree".

**Table 5: Performance of Insurance Firms**

| Statements | Mean | Std. Deviation |
|---|---|---|
| "My organization performs better than other competitors" | 4.11 | 0.778 |
| "There is a general increase in number of product awareness campaigns since 2015 that has resulted to increase in market share" | 2.04 | 1.084 |
| "There have been more periods of profits than losses for the last 5 consecutive years since 2015." | 4.08 | 0.715 |
| "There has been a perceived positive growth in market share in the last 5 years." | 3.94 | 0.797 |
| "The organization has had a perceived realization of more return in assets and earnings per share" | 4.03 | 0.784 |

**Source:** Field data (2021)

**4.3 Inferential Statistics**

Analyses on Regression and Pearson Correlation coefficient were done in this part. The type of association between independent and outcome factors was ascertained by using regression analysis while the strength and form of the relationship between the variables was established by the Pearson correlation coefficient.

**4.3 .1 Regression Analysis**

The link between the independent variables and the dependent variable - Performance of Insurance companies - was evaluated via multiple regressions. The regression was summarized as follows:
Dependent Variable (Y): Performance of Kenya Orient Insurance Company
Independent Variables: X1 = "Factor Rating Analysis"
X2 = "Balanced Score Card"
X3 = "3600 Analysis Technique"

Equation: "Y" = "$\beta 0 + \beta 1X1 + \beta 2X2+ \beta 3X3+\varepsilon$"
"$\beta 0$": Constant (intercept)
"$\beta 1, \beta 2, \beta 3$": "Beta coefficients for predictor variables"
"$\varepsilon$": Error term capturing unexplained variations

**Table 6: Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| | 0.832[a] | 0.693 | 0.684 | 0.43832 |

a. Predictors: (Constant), 360 degree evaluation, Factor Rating technique, Balanced Score Card

There is a strong correlation between the variables, according to the regression findings in Table 5, which display an R value of 0.832. The $R^2$ indicates how closely the data resembles the fitted regression line, provides a clearer picture of how the model interprets the observation. The coefficient of determination, or Adjusted $R^2$, is 0.684. According to this, 68.4% of Kenya Orient Insurance Limited's performance could be described by the three predictors (360 degree evaluation, factor rating approach, and Balanced Score Card). Other factors or predictors not covered in the research can account for the remaining percentage.

**Table 7: ANOVAb**

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 59.284 | 4 | 14.821 | 77.143 | 0.000[a] |
| Residual | 26.321 | 137 | 0.192 | | |
| Total | 85.605 | 141 | | | |

a. Predictors: (Constant), 360 degree evaluation, Factor Rating technique, Balanced Score Card
b. Dependent Variable: Performance

ANOVA's computations provide information on the extent of variability within a relapsing model and serve as a basis for significance tests (Sawyer, 2010). ANOVA results indicate that the F-value (F = 77.143) is significant at p-value = 0.000 ($p<0.001$). This indicates that there is a 0.001 (0.1%) chance that the regression model will make an incorrect forecast thus findings are very reliable at 95% confidence level

**Table 8: Regression Coefficientsa**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 0.067 | 0.248 | | 0.272 | 0.786 |
| 360 degree | 0.510 | 0.126 | 0.451 | 4.037 | 0.000 |
| BSC | 0.465 | 0.097 | 0.372 | 4.794 | 0.000 |
| Factor Rating technique | 0.410 | 0.058 | 0.576 | 7.085 | 0.000 |

a. Dependent Variable: Performance
**Source:** Field data (2021)

The regression co-efficient results show degree of $360^0$evaluation and Kenya Orient Insurance Limited's performance is positively and significantly correlated as signified by β = 0.510, p=0.001 < 0.05. The analysis also establishes a positive and very significant relationship between the performance KOIL and BSC (β = 0.465, p=0.001<0.05) and Factor Rating technique (β = 0.410, p = 0.001<0.05} insinuating that the 3 variables under study (360 degree evaluation, factor rating technique and BSC) used in this research have a positive influence on Kenya Orient Insurance Limited's performance.

### 4.3.2 Pearson Correlation Coefficient Analysis

Pearson product-moment correlation coefficient was led to decide the connection between the variables - 360 degree evaluation, Factor Rating technique, Balanced Score Card and self-evaluation technique (independent variables) and Kenya Orient Insurance Limited's performance (dependent variable).

**Table 9: Pearson Correlation Coefficient Analysis**

| | | Performance | 360 degree | Balanced Score Card | Factor Rating |
|---|---|---|---|---|---|
| 360 degree | Pearson Correlation | 0.814** | 1 | | |
| | Sig. (2-tailed) | 0.000 | | | |
| Balanced Score Card | Pearson Correlation | 0.810** | .904** | 1 | |
| | Sig. (2-tailed) | 0.000 | .000 | | |
| Factor Rating | Pearson Correlation | 0.617** | .658** | .762** | 1 |
| | Sig. (2-tailed) | 0.000 | .000 | .000 | |
| | N | 142 | 142 | 142 | 142 |

**Source:** Field data (2021)

According to the study's findings, r = 0.814 and p = 0.001 indicate a high, positive, and significant correlation between Kenya Orient Insurance Limited's performance and its 360-degree review. Also, there is a significant correlation (r = 0.810, p = 0.001) between Kenya Orient Insurance Limited's performance and the BSC. The findings also demonstrate a somewhat moderate correlation (r = 0.617, p = 0.001) between Kenya Orient Insurance Limited's performance and the Factor Rating approach.

.

## V. Summary of Strategic Evaluation Techniques on Performance Insurance companies in, Kenya

This chapter presents an overview of the results correlated to the research objectives proposed and presents the conclusions and recommendations based on themes. Last, the study elaborates potential directions for the future research work, outlining the research weaknesses and limitations in the present investigation.

### 5.2 Summary of Findings

#### 5.2.1 Analysis of Factor Rating Technique on Kenyan insurance companies' performance

Analyzing the impact of the KFR technique on Kenyan insurance companies' performance was the first goal. According to the findings, KOIL was able to identify the type of staff performance adjustments required to achieve overall organizational performance with the aid of the key factor rating analysis. The KFR analysis - according to the responses - aimed to improve the firm's and the organizations' overall operational and marketing capabilities. Analysis results motivated them to work harder and better, leading to improved customer retention and profitability. Additionally, the study discovered that key factor rating analysis at work improved financial capability and senior management and leadership's demonstrated commitment to evaluation. The Key Factor Rating technique and Kenya Orient Insurance Limited's performance are positively and significantly correlated, according to the correlation and regression results.

#### 5.2.1 Analysis of $360^0$ evaluation technique on Kenyan insurance companies' performance

The second objective aimed at identifying $360^0$ evaluation technique's influence on insurance companies' performance in Kenya. This study were that 360 degree evaluation had aided the Kenya Orient Insurance Limited Kenya address the organizational weaknesses and strengthen the organizational strengths; and most importantly, position the company to capitalize on key factors and opportunities quicker than the market competitors. Responses showed that an assessment of a set of organisational functions or activities for learning patterns; organisational learning and KM capability was integrated in the 360 degree evaluation framework and agreeable. More self-directed learning, organizational learning; and knowledge management capability showed to have been developed with this organization than in their previous working organization. It had also improved the organization's profitability by self and organizational learning; and the organization's knowledge management capacity. The results of the correlation analysis which tests the interdependence of two variables reveal a strong positive and significant association between $360^0$ evaluation and performance of Kenya Orient Insurance limited Kenya, further results of regression analysis also reveal positive and relationship statistically significant between 360 degree evaluation and the performance of Kenya Orient Insurance limited Kenya.

#### 5.3.1 Analysis of BSC evaluation technique on Kenyan insurance companies' performance

The study also sought to analyze influence of BSC on performance of insurance companies in Kenya. It was found out that the KPIs were clearly stated in the BSC; and that balanced score card enabled organization perform and achieve its goals. BSC in Kenya Orient Insurance Limited Kenya had fostered high productivity as far as customer service and profitability is concerned; and it was perceived to be the common drive for strategy evaluation in all employees. BSC also enhanced employee motivation leading to increment in gross written premium and customer retention. The correlation analysis established that there is a strong link between BSC and KOIL's performance while the regression results also show a positively significant connection between these variables.

### 5.3. Conclusion

The study reveals that the factor rating technique has a positive effect on performance of insurance companies in Kenya. In regard to enhancing the general organisational performance, the Key factor rating analysis assist those companies make essential changes (mean Score = 4.20). Respondents stated several objectives of this analysis in their organization including increasing operation efficiency and expanding marketing capabilities across the organization (mean score = 4.14). Additionally, similarly, respondents claimed that analysis results enable them to align work with organisational goals enhancing motivation, customer satisfaction, and revenue (mean = 4.10). Hence, they also found that key factor rating analysis enhanced financial competency (mean = 4.07), which supported efficient completion of the evaluation task, while senior managers' commitment was quite high (mean = 4.02).

The study further concludes that $360^0$ evaluation technique has a positive influence on performance of insurance companies in Kenya. 360 degree evaluation technique has the potential to enhance more self-directed learning, organizational learning; and knowledge management capability which not only enhance performance but also puts a company at a competitive edge above other competitors. 360 degree evaluation also has the potential to enable insurance companies to effectively mitigate the organizational weaknesses and enhance the organizational trust; and also helps the company to exploit key factors and opportunities faster than its competitors.

BSC was seen to have a positive influence on insurance companies' performance in Kenya. The BSC has helped outline the KPIs in the insurance companies; and it enables organization to perform and achieve organizational goals. BSC also enhanced employee motivation leading to increment in gross written premium and customer retention. It also results to high productivity in customer service and profitability of the insurance companies.

**5.4 Recommendations**

The study infers that strategy evaluation should start with an assessment of the inside powers that will impact the organization's capacity to follow the key arrangement. The evaluation ought to consider the estimation of organization assets, for example, budgetary resources, restrictive data and the individuals who are accessible to manage the organization to meet its objectives. This evaluation will enable the administration to see how these advantages can be created to grow the organization's abilities. These inner powers consolidated are what will help set the insurance agencies separated from their rivals.

Even though the study used a census sample, it was only limted to KOIL and could not give a global perspective of the impact of strategic evaluation techniques on insurances' performance. Further researchers could do a wide coverage including other countries and a larger sample to give it a more global perspective.
This study only focused three objectives that represented 68.4% of the impact. Other studies could look in to other variable techniques that may affect the performance of insurance companies underexplored in this study like, SWOT, VRIO analysis e.t.c

**References**


[1]. Abdullah, C. (2010). Profit Maximization Theory, Survival-based theory and contingency theory: A review on several underlying research theories of corporate turnaround. Journal Ekonon, 13, 136-143

[2]. Aldrich, H. E. (1979). Organizations and environments, Prentice Hall. Inc., Englewood Cliffs, NJ.

[3]. Anwar, J., & Hasnu, S. A. F. (2016). Business strategy and organizational performance: Measures and relationships. Journal of Strategy and Management, 9(1), 3-18. https://doi.org/10.1108/JSMA-01-2015-0004

[4]. Association of Kenyan Insurers, (2017) Insurance industry report; Retrieved from https://www.akinsure.com/content/uploads/documents/AKI_2017_Annual_Report.pdf

[5]. Burns, T., & Stalker, G. M. (1961). The Management of Innovation. Tavistock Publications.

[6]. Cyton Investments. (2023). Kenya's listed insurance companies' analysis. Cytonn FY'2023 Insurance sector report: Retrieved from https://www.cytonn.com/research/insurance-report-2023

[7]. Cytonn Investments, (2023) Kenya Insurance Sector Report Retrieved from: https://cytonnreport.com/research/kenya-fy2023-insurance

[8]. Fiedler, F. E. (1967). A Theory of Leadership Effectiveness. McGraw-Hill.

[9]. Hannan, M. T., & Freeman, J. (1984). Structural inertia and organizational change. American Sociological Review, 49(2), 149-164.

[10]. Hunger, J. D., & Wheelen, T. L. (2011). Essentials of strategic management. Prentice Hall

[11]. IRA, (2023). Insurance Regulatory Authority. Insurance industry report, January – December 2023.Retrieved from https://www.ira.go.ke/pictures/.../2023annual/Insurance-Industry-Annual-Report-2023.pd.

[12]. Jofre, S. (2011). Key Management: The hypothesis and practice of methodology in (business) associations.

[13]. Kairu, E. W., Wafula, M. O., Okaka, O., Odera, O., & Akerele, E. K. (2013). "Effects of balanced scorecard on performance of firms in the service sector". European journal of business and management, 5(9), 81-88 https://research.usq.edu.au/download/c97305976deedc8bfc05f42e71fbd7e392d3451040688698583922 88da3acc36/425066/Kairu_etal_EJBM_v5n9_PV.pdf

[14]. Kampire, C. (2012). Competitive strategies adopted by insurance companies in Rwanda (Doctoral dissertation). Retrieved from: https://erepository.uonbi.ac.ke/handle/11295/14655

[15]. Kaplan, R. S., & Norton, D. P. (1996). The balanced scorecard: Translating strategy into action. Harvard Business Review Press. https://hbr.org/product/the-balanced-scorecard-translating-strategy-into-action/9781578511820

[16]. Kitsao, B.H., & Mandere, E.N. (2021). Analysis of Key Factor Rating Technique On Performance of Insurance Companies In Kenya: A Case Of Kenya Orient Insurance Limited, Kenya. DOI:10.47604/ejbsm.1190

[17]. Kotler, P. (2021). Marketing Management. Pearson.

[18]. Mehrotra, S. (2013). The Government Monitoring and Evaluation System in India: A Work in Progress. Free Evaluation Group, World Bank Group, Washington, DC.

[19]. Mintzberg, H. (2003). The strategy process: concepts, contexts, cases. Pearson education.

[20]. Morara, K., & Sibindi, A. B. (2021). Determinants of financial performance of insurance companies: Empirical evidence using Kenyan data. Journal of risk and financial management, 14(12), 566.

[21]. Mutua, J. (2023). Low insurance uptake in Kenya and strategies for improvement. East African Business Times, 15(2), 38-42.

[22]. Ng'ang'a, G., & Wafula, M. (2022). The impact of digital innovation on insurance penetration in Kenya. African Journal of Business Management, 16(6), 118-127.

[23]. Nyabuto, L. (2017). Factors affecting organizational performance in the manufacturing sector: A case study of Bidco Africa (Doctoral dissertation, Management University of Africa)

[24]. Ondieki, E.M. (2017). The Effect of the Balanced Scorecard on Organizational Performance in the Public Sector in Kenya: A Case of Kenya Bureau of Standards.

[25]. Porter, M. E. (2022). Competitive Advantage: Creating and Sustaining Superior Performance. Free Press.

[26]. Sarbah, A., & Otu-Nyarko, D. (2014). An Overview of the Design School of Strategic Management (Strategy Formulation as a Process of Conception). Open Journal of Business and Management, 2(03), 231.

[27]. Sawyer, K. (2010). Chapter Five Improvisational Creativity as a Model for Effective Learning Keith Sawyer. Improvisation: Between Technique and Spontaneity, 135.
[28]. Somi, L. (2017). Influence of Strategy Implementation on Performance of Government Owned Entities in Kenya.
[29]. Srivastava, R. & Prakash, A. (2014), "Value creation through cross-border mergers and acquisitions by the Indian pharmaceutical firms", Journal of Strategy and Management, Vol. 7 No. 1, pp. 49-63. https://doi.org/10.1108/JSMA-03-2013-0017
[30]. Strydom, J. (2011). Principles of Business Management (2nd Ed.). Cape Town: Oxford University Press.
[31]. Waweru, N. (2022). Strategic evaluation practices and financial performance of insurance firms: Evidence from Kenya. African Journal of Business Management, 16(7), 89-96. https://doi.org/10.5897/AJBM2022.9598
[32]. Wiyono, B. B. (2018). The impact of self-assessment on the principals' transformational administration, instructors' work inspiration, cooperation adequacy, and school improvement. Universal Journal of Leadership in Education, 21(6), 705-725.
[33]. Yao, T. A. N. G., & Yan-ping, W. E. I. (2009). Adequacy Analysis of 360 Degree Effect Feedback in Nursing Supervision . Journal of Nursing, 16