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Abstract

Performance of insurance companies in Kenya has been something that has kept insurance companies use various strategy evaluation techniques so as to assess the direction of the company in terms of performance and in order to stay competitive over their competitors. Kenyan insurance companies have generally experienced poor performance in the Gross written premium and combined ratio which we attribute this to inappropriate or inefficient strategy evaluation techniques used by the affected companies in evaluating the chosen strategies. According to the January – December 2017 IRA industry report, gross premium written by the last quarter of 2017 in the Kenyan insurance industry stood at 207.68 Billion representing a slow growth of 6.6% compared to an annual growth of 12.3% in a similar period in 2016. Cyton FY2015 insurance sector report also shows that the combined ratio of Kenyan insurance industry in 2015 was 110.6% as compared to that of morocco in the same year which was 78.0%. This study analyzed the influence of strategic evaluation techniques on the performance of insurance companies in Kenya. The study was guided by four research objectives namely; to analyze the influence of 360 degree evaluation technique influence the performance of insurance companies in Kenya, To analyze influence of Key Factor Rating influence the performance of insurance firms in Kenya; To analyze effect of Balanced Score Card on the performance of insurance companies in Kenya and to analyze the influence of self-evaluation technique have a significant influence on performance of insurance companies in Kenya. The main study population was limited to Kenya Orient Insurance Limited. In this study, the researcher used descriptive research as most of the research questions sought to find out how and what. Descriptive statistics was used to describe the data using as frequency tables, measures of central tendency and percentages. The population study comprised of 154 employees comprising of managers, supervisors and service associates. A census sampling technique was applied in this study so as to draw the whole population to a sample size. A target population of 154 was therefore used. In order to find out answers to the research questions, a questionnaire was applied as the data collection instrument. The data collected was then coded and put in to a Scientific Package for Social Scientists (SPSS) programme or a Microsoft excel work sheet and presented in form of tables and figures. Analysis will was done using Microsoft excel and SPSS. Data analysis presentation was in form of charts, graphs and tables. It is highly hoped that the findings of this study will provide a policy framework to be adopted by KOIL and other related organization on how to structure their strategy evaluation techniques to maximize their business potentials

Keywords: A*nalysis of Strategy, Evaluation Techniques, Performance of Insurance.*

1.0 Background to the Study

Strategy evaluation techniques are methods or ways through which a strategy can be assessed in terms of performance against the intended objectives. Strydom (2012) defines strategy evaluation as a precise examination to discover the purposes for disappointments and accomplishment of a specific methodology in terms of objectives, performance standard or any other performance pointer.

Strategy evaluation techniques are therefore the methods used to determine the suitability of a chosen strategy in realizing the objective of an organization so that corrective measures can be taken when necessary. The process involves fixing a performance benchmark, gauging the performance, analyzing variance and making remedial move. Over the years, a big amount of thinkers have looked in to things associated with business strategy systems on diverse perspectives though to some degree, the variance in angles can be understood from the areas on which the strategy arguments are based (Sarbah & Nyarko, 2014). This calls for mechanisms and ways through which the organization is able to know what is has done to achieve the expected or set goals and make corrective actions if not in the right direction. This is where evaluation techniques come in. Without evaluation, it would be difficult for most organization to know whether they are achieving the set goals and in that case strategy formulation would be meaningless.

1.1 Statement of the Problem

According to the January – December 2017 IRA industry report, gross premium written by the last quarter of 2017 in the Kenyan insurance industry stood at 207.68 Billion representing a slow growth of 6.6% compared to annual growth of 12.3% in a similar period in 2016. (IRA industry report, 2017). The combined ratio of Kenyan insurance industry in 2015 was 110.6% as compared to that of morocco in the same year which was 78.0% (Cyton FY2015 insurance sector report)

Several studies have been done on this field though no study that touches on Kenya Orient Insurance Limited. Chepkwony (2016) conducted a study on the impact of methodology execution, assessment and control on association execution. She used a sample of 43 in her study and applied mean and standard deviation on the data. It was found that strategy implementation and evaluation had a substantial influence on organizational performance. However the study failed to analyze strategy evaluation techniques like 360 degree feedback evaluation technique which is very important in assessing the effectiveness of a chosen strategy.

Nevertheless, Kenyan insurance companies have experienced poor performance in the Gross written premium and combined ratio which we attribute to inappropriate or inefficient strategy evaluation techniques used by the affected firms in evaluating the chosen strategies. This eventually ends in bringing out wrong conclusion about the selected strategies and organizations' performance. It is out of this that the researcher sought to analyze the influence of self-evaluation technique on insurance companies' performance in Kenya.

1.3 Objective of the Study

To analyze influence of self-evaluation technique on performance of insurance companies in Kenya

1.4 Research Questions

To what extent does self-evaluation technique influence performance of insurance companies in Kenya?

2.0 Theoretical Review

The theoretical review is meant to theoretical foundation pertinent to the research topic under the study. Theories relevant to the study topic are discussed here.

2.1 Contingency Theory

This theory was developed by Herbert Spencer in 1897, and proposes that organizations have to always and constantly get used to its competitive surroundings so as to survive (Abdullah, 2010). Organizations ought to be ready to adjust to changes in this dynamic environment to make them stay competitive and be able to survive. The assumption of this theory is that the one who survives is the fittest and most ready to adjust to the environment and that for organizations to survive, they have to set up strategies that are concentrated on running an effective operation and can easily respond fast to the changes in the competitive environment. The theory is however criticized as it does not give the ways through which organizations should adopt to the changing environment so as to best fit and survive. An organization which can easily adapt to its environment and turn out to be the most competent and economic in the creation and activity will positively endure. This can be accomplished through constant evaluation of strategies to ensure that performance is measured and corrective measures taken so as to emerge all-round competent thus making the theory applicable to the topic of study. The evaluation techniques to be applied must be such that they also consider the external and internal factors so that the business can fit well in the adaptation of the changing environment so as to survive. This theory is also applicable to organizations hoping to pivot after a time of poor execution (Abdullah, 2010).

2.2 Empirical Review

2.2.1 Self-Evaluation Technique and Performance of Insurance Companies

Self-Evaluation is the process of evaluating one's own performance. It often involves self-assessment in a way to understand where one exactly stands. Self-Evaluation as a strategy evaluation technique can therefore be applied in organization and insurance companies by the stakeholders to assess and identify exactly where they stand in regards to their selected strategies and strategy implementation (Hewitt, 2015)

Wiyono (2018) conducted a study on the effect of self-evaluation on the principals' transformational leadership, teachers' work motivation, teamwork effectiveness, and school improvement. The aim of the study was to test find out whether self-evaluation technique enhances teamwork effectiveness and improvement among schools and school leadership.

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Using as sample of 40 principals and 240 teachers the study used a quota random sampling to obtain the sample and used questionnaires to gather data. Descriptive, univariate and multivariate analyses were also applied on the data. The study found out that there is a stronger effect when self -evaluation has feedback that when it does not have feedback.

Nawaz, Khalid & Khan (2018), conducted a study on the influence of core-self-evaluation, pre-emptive personality, seen organizational support, developmental response and job complexity on turnover intention of university lecturers. The target of the study was to examine the impact of core-self-evaluation, pre-emptive personality, seen organizational support, developmental response and job complexity on turnover intention. Using a sample of 359 lecturers the study applied mean mode and standard deviation on the data and multiple relapse was utilized to break down the information. Discoveries indicated that proactive character saw hierarchical help and formative criticism were found significant and predicted turnover intention; while core self-evaluation was found insignificant

2.2.2 Conceptual Framework

The framework described the correlation that exists among the variables the study is considering. The framework answers the question how does the researcher expect a relationship between all variables (dependent and independent) to exist.

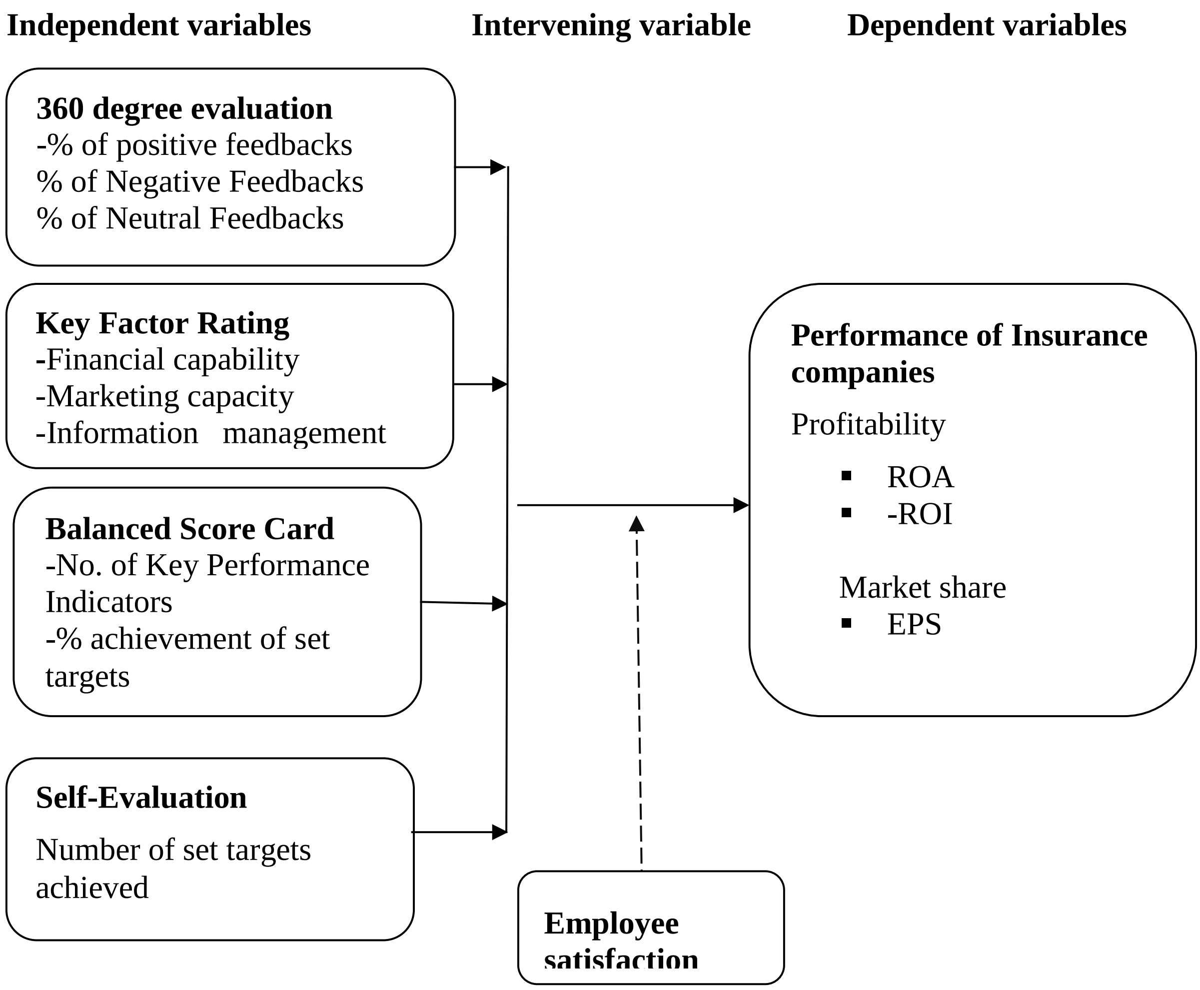

Figure 1: Conceptual Framework

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Source: Researcher (2020)

3.0 Research Methodology & Design

This part characterizes the examination strategy utilized in this investigation and furthermore talks about the exploration plan as for the structure picked. The target population of study, sample and sampling techniques and information gathering approaches utilized in the study are likewise talked about

3.1 Research Methodology

In this study, the researcher used mixed methodology as both quantitative and qualitative data was used.

3.2 Research Design

Research design is a description of the way data is collected and the instruments of data collection to be used. It also describes how the data collection instruments will be in collecting the data and eventually explains the methods of data collection and analyses. The research was held across all the branches of Kenya Orient Insurance Company Limited in Kenya. The logistics were not an issue of concern most data was collected using an electronic questionnaire. The collection of information was done across all the branches.

The researcher used descriptive design. This was on the grounds that descriptive research is used to get data in regards to the current status of a phenomenon and to portray "what exists" regarding elements or conditions in a circumstance. It gave answers to the questions of who, what, when, where, and how certain marvel was related with a specific research issue however couldn’t decisively find out responses to why. Data on both the independent and dependent variables were obtained using questionnaire

3.3 Target Population

The study population was made up of employees of Kenya Orient Insurance Limited across all the branches in Kenya who are in the management level and supervisors and service associates specifically 23 Managers, 23 Supervisors, and 108 Service Associates namely; 30 Underwriting Associates, 5 Customer Service Associates, 10 Claims Associates, 10 Account Associates, 24 Sales Associates and 29 Relationship Associates. These are 154 in number.

Table 1: Sampling Frame

S/No	Portfolio	Male	female	Target Population	% of the whole 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– Human resource department (2019).

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3.4 Sampling Procedure and Technique

In order for the researcher to recruit respondents for the study, the researcher used both purposive and census sampling technique. Purposive sampling enabled the researcher to rely on their own judgment while picking individuals from populace to take an interest in the study. .All members in the population were drawn to the sample using Census sampling. This ensured that each member in the population got selected in the study. This was important as it eliminated errors associated with sampling.

3.5 Sampling Population

The researcher conducted a census study since the population was small and defined and it was necessary to reach each member in the population so as to get conclusive and unbiased feedback. The sample size of 154 was ideal as it tends to bring the sample distribution to a normal population distribution in accordance to the central limit theorem, which states examining distribution of the mean of any autonomous, arbitrary variable will be typical or about ordinary, if the example measure is sufficiently substantial

3.6 Data Analysis Techniques and Procedures

When analyzing the relationship between any two variables, Pearson's product-moment correlation co-efficient (r) was used so as to find out the association between dependent and, independent variables while the coefficient of determination (r^2) was used to measure the effect of the independent variables on the dependent variable. Sampling error and measurements errors were given. To modify for perplexing, every single autonomous variable that was extensively connected with the reliant variable at bi-variate examination was viewed as together utilizing numerous straight relapse. All tests were two-sided. A value of $p< .05$ was considered statistically significant.

SPSS version 21.0 was used as a statistical tool to aid on data analyzing. When using SPSS, the data was coded first then put in the SPSS software for analysis. For situations where the respondents' answers were vague or fragmented, the correspondents were gotten back to for clarity before encoding the information. Bar-charts and pie-charts were also be used to demonstrate data patterns. The researcher used SPSS because it has the capability of analyzing both quantitative and qualitative data in a wide scope as well as large data. Tables, graphs and charts were used to present the data collected.

4.0 Study Findings

4.1 Self Evaluation Technique and Performance of Insurance Companies

In this section the study sought to evaluate the influence of self-evaluation technique on performance of insurance companies in Kenya. The respondents were asked to indicate the degree to which they agree or disagree with statements on self-evaluation technique at KOIL using a scale of 1-5 where 1 is strongly disagrees, 2 is disagree, 3 is neutral, 4 is agree and 5 is strongly agree. The findings are presented in Table 2.

Table 2: Self-Evaluation Technique and Performance of Insurance Companies

Statements	Mean	Std. Deviation
Self-Evaluation has been used as a strategy evaluation technique to compare performance to our peers.	4.25	0.657
Self-Evaluation has been used as strategy evaluation technique for comparing performance among various departments.	4.13	0.598
Self - Evaluation has been used as a strategy evaluation technique for comparing performance to industry standards	4.13	0.640
Self - Evaluation has been used as a strategy evaluation tool for comparing performance between strategies.	4.05	0.656

Source: Field data (2020)

The findings in Table 2 show that the respondents agreed that self-evaluation had been used as a strategy evaluation technique to compare performance with their peers (mean score = 4.25); and that self - evaluation had been used as a strategy evaluation tool for comparing performance between strategies (mean score= 4.05). The respondents also agreed that self-evaluation had been used as strategy evaluation technique for comparing performance among various departments; and that self - evaluation had been used as a strategy evaluation technique for comparing performance to industry standards; this is shown by the mean score of 4.13 respectively.

4.2 Inferential Statistics

In this section, the Pearson correlation coefficient analysis and regression analysis were conducted. The Pearson correlation coefficient was to establish the strength and form of relationship between the variables while regression analysis was to establish the form of relationship between independent variables and the dependent variable.

4.2.1 Pearson Correlation Coefficient Analysis

Pearson product-moment correlation coefficient was conducted to determine the correlation between the variables - 360 degree evaluation, Factor Rating technique, Balanced Score Card and self-evaluation technique (independent variables) and performance of Kenya Orient Insurance limited Kenya (dependent variable). The results are presented in Table 3.

Table 3: Pearson Correlation Coefficient Analysis

		Performance	360 degree	Balanced Score Card	Factor Rating	self-evaluation
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		
self-evaluation	Pearson Correlation	0.455**	.485**	.599**	.529**	1
	Sig. (2-tailed)	0.000	.000	.000	.000	
	N	142	142	142	142	142

**. Correlation is significant at the 0.01 level (2-tailed).

The study findings show that there is a strong, positive and significant relationship between 360 degree evaluation and performance of Kenya Orient Insurance limited Kenya as shown by r = 0.814 and p = 0.001. There is also a strong relationship between Balanced Score Card and performance of Kenya Orient Insurance limited Kenya (r = 0.810, p = 0.001).

4.2.2 Regression Analysis

A linear multiple regression model was applied to determine the relationship between the variables in the study. The study sought to establish the form of relationship between performance of Kenya Orient Insurance limited and the predictors: 360 degree evaluation, factor rating technique, Balanced Score Card and self-evaluation technique.

Table 4: 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, self-evaluation technique

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The regression results in Table 4 show an R value of 0.832 that concludes that there is a big bond between the variables. The R-Squared illustrate in a better way how the model concludes the observation; is a statistical measure of how close the information is to the fitted regression line. The value of adjusted R square (coefficient of determination) is 0.684. This concluded that the 4 predictors (360 degree evaluation, factor rating technique, Balanced Score Card, and self-evaluation technique) explained 68.4% of performance of Kenya Orient Insurance limited. The remaining percentage can be explained by other variables/predictors not included in the study.

Analysis of Variance (ANOVA)

Table 5: 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, self-evaluation technique

b. Dependent Variable: Performance

Analysis of Variance (ANOVA) has got calculations that give data about the degrees to which variability inside a relapse model and form a way for tests of importance (Sawyer, 2010). The ANOVA results show an F- value ($F = 77.143$) which is significant at p-value=0.000 ($p<0.001$) were established. This shows that the regression model has a 0.001 (0.1%) probability of giving a wrong prediction. This therefore means that the regression model has a confidence level of over 95% hence high reliability of the results

5.0 Summary of Findings

The objective was to assess the influence of self-evaluation technique on performance of insurance companies in Kenya. It was found out that self-evaluation had been used as a strategy evaluation technique to compare performance to with their peers; and that self - evaluation had been used as a strategy evaluation tool for comparing performance between strategies. The study also found out that self-evaluation had been used as strategy evaluation technique for comparing performance among various departments; and that self - evaluation had been used as a strategy evaluation technique for comparing performance to industry standards. The correlation and regression results show that there is a positive and significant relationship between self-evaluation technique and performance of Kenya Orient Insurance limited.

5.1 Conclusion

The study concludes that there is a positive and significant influence between self-evaluation technique and performance of insurance companies in Kenya. Self-evaluation can be used as a strategy evaluation technique to compare performance to among peers; and can be used as a strategy evaluation tool for comparing performance between strategies. Moreover, self-evaluation can be used as strategy for comparing performance among various departments; and comparing performance of insurance companies in the industry.

5.2 Recommendations

The study concludes that strategy evaluation should begin with an examination of the internal forces that will influence the company's ability to follow the strategic plan. The evaluation should consider the value of company resources such as financial assets, proprietary information and the people who are available to guide the company to meet its goals. This evaluation will help the management understand how these assets can be developed to expand the company's capabilities. All of these internal forces combined are what will help set the insurance companies apart from their competitors.

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