Determinants of Effective Strategy Implementation in the Insurance Industry in Kenya - A Case Study of AAR Insurance

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Abstract: The purpose of this research was to establish the determinants of effective strategy implementation of insurance companies in Kenya with a case study of the AAR. The insurance industry is becoming highly competitive and has a very dynamic market. This makes the insurance industry to continually create, implement, assess and improve on strategies so as to remain relevant and competitive in this market. The numerous studies on strategy implementation have however not focused on use in insurance industry in Kenya. This represents a gap in Insurance industry. It is against this background that this study was proposed so as to critically evaluate the determinants if effective strategy implementation in insurance companies in Kenya. The specific objectives are to examine strategic planning; to examine resource allocation, strategic leadership and stakeholder involvement. To strengthen the conceptual framework, the study applied theories such as resource based view theory, stakeholder theory and management theory. The study will adopt a descriptive research design. Stratified random sampling method will be used. The study will target all the 340 employees of AAR. The sample size for the study will be 102 which represent 30% of targeted employees working at AAR. A modified Likert scale questionnaire is developed divided into five parts. A pilot study was carried out to refine the instrument. The quality and consistency of the survey further assessed using Cronbach’s alpha. Data analysis was performed on a computer using Statistical Package for Social Science (SPSS Version 22) for Windows. Analysis was done using frequency counts, percentages, means and standard deviation, regression, correlation and the information generated is presented in form of graphs, charts and tables. The study showed that there was a positive relationship between the independent variables and the dependent variables. Further the study results revealed that the independent variables have an effect of the dependent variable. The study recommended that strategic planning should measureable such as short term and long term plans, that the organization should hire qualified staff to be able to implement the strategies and allocate resources to enable effective implementation of the strategies.

INTRODUCTION

1.1 Background of the Study
World over innovative and unique strategy formulation is argued to be critical to firm success. However, some scholars also argue that ensuring that such a strategy works is equally as important. Indeed, good strategic management is a function of people actively considering strategy as they make day-to-day decisions in an ever-changing world. There are considerable studies on strategy which concede that between 50% and 80% of strategy implementation efforts fail Jonk & Ungerath, (2013); Atkinson, (2006). According Bell, Peter, Dean, Geoff, & Gottschalk, (2013), the scholars have argued that strategy execution is commonly the most complicated and time-consuming part of strategic management, while strategy formulation is primarily an intellectual and creative act involving analysis and synthesis. It is therefore important to study the properties of effective strategy implementation. Cater & Pucko, (2012) posed that the implementation of strategies was a key driver of the emergence of strategic management in late 20th century. Rajasekar, (2014), investigated whether organizations were looking for great strategy or great strategy implementation. His analysis of Asian firms showed that, the firms competed successfully by focusing on the implementation of strategies instead of attempting to develop unique strategies.

Globally, strategy implementation is slowly taking into account functional areas such as accounting, marketing, human resource management, or information management (for instance, Naranjo-Gill & Hartmann, (2014). The next trend is the continuing emphasis on the well-accepted factors of strategy implementation such as structure, culture or organizational processes. For instance, the work of Olson, Slater, Tomas, & Hult, (2013)
reiterates the significance of organizational structure and processes in strategy implementation. The third trend noted is of reporting studies in specific socio-economic contexts such as those in specific countries (e.g. China as in Wu, Chou, & Wu, (2014) or developing economies (e.g. Latin American as in (Brines, Mena, & Molina, 2013). In Kenya research has shown that strategy execution is one aspect that has influenced performance among firms. According to a study by Awino, (2011), on selected strategy variables influencing performance in large manufacturing firms there is evidence that strategy competency model provides an environment where core competencies, strategy and strategy implementation process, core capabilities can be linked effectively within the value chain to enhance corporate performance. The joint effect of core competencies, core capabilities, strategy and implementation has influenced firms performance by creating synergy in most of the large manufacturing organizations surveyed in the private sector in Kenya.

1.1.1 Effective Strategy Implementation

Implementation is a key stage of the strategy process, but one which has been relatively neglected Dobni & Luffman, (2015). Strategy implementation is the amplification and understanding of a new strategy within an organization (Mintzeberg, 2014). Such an explanation involves the development of new structures, processes and other organizational alignments Galbraith & Kazanjian, (2014). Despite this, it is generally perceived as a highly significant determinant of performance. Noble, (2013) states, “well formulated strategies only produce superior performance for the firm when they are successfully implemented”. There seems to be widespread agreement in literature regarding the nature of strategic planning, which includes strategy implementation. It includes presentations of various models showing the organizational characteristics suggested as significant factors for effective strategy implementation (Guffy, 2013).

Strategic planning is also portrayed as a lively process by which companies identify future opportunities Reid, (2011). Additionally, the existence of a strategy is an essential condition or precondition for strategy implementation. Implementation is will use by nature and by definition. It cannot be directionless. It is a process defined by its purpose – in this case, the realization of a strategy. Thus, to implement a strategy, there must be a strategy. The strategy may be more or less well-formed, more or less in the process of formation, or even emergent Mintzeberg, (2014). Unless it is suitably formed to represent a direction or goal, there is nothing to implement; and organizational members will be unable to work towards its realization.

1.1.2 Determinants of Strategy Implementation

Mead (2008) identified three characteristics of strategic planning as follows, strategic planning is deliberate in that management takes a conscious decision to make a radical change, the organization has a specific objective, which it can no longer achieve by the old strategy such that a new strategy becomes necessary and the organization formulates a new goal, which can only be achieved by a new strategy. The product of the strategic planning process is a strategic plan. According to Simba, Mwirigi, & Namusonge, (2015), a strategic plan is built on a thorough analysis of the organization’s existing structure, governance, staff, program or service mix, collaborations, and resources (financial, human, technical, and material).

According to Cater & Pucko, (2012), while a well-formulated strategy, a strong and effective pool of skills, and human capital are extremely important resources for strategy success, poor leadership is one of the main obstacles in successful strategy implementation. Lorange (2008) argued that the chief executive officer (CEO) and top management must emphasize the various interfaces within the organization. Schaap, (2012) in his research findings in the Casino Industry found out that failure to communicate the vision and strategic objectives to employee’s means that the strategy makers are not giving information for everybody to understand what they are supposed to do with it. New objectives are outlined but not communicated throughout the organization as to how the new objectives should look and what steps are supposed to be taken. Poor communication among team members is responsible for poor decisions in implementation. Expectations and opinions are not shared openly, thoroughly and effective.

Therefore, the need for effective leadership outweighs other factor. Beer and Eisenstat (2011) addressed this issue from a different perspective; they suggested that in the absence of effective leadership, conflicting priorities will result in poor coordination because employees will suspect that top management prefers to avoid potentially threatening and embarrassing circumstances. Schaap, (2012) stated that top management and leadership behaviour affect the success of implementation of the strategy. Manager’s inadequate understanding of company strategies and future outlook, as well as inadequate attention and support of managers and other influencing people in the organization towards the implementing of business strategies hinder the successful implementation of strategies.
1.1.4 The AAR Insurance
AAR Insurance Kenya is the leading medical insurance provider in East Africa. It has its offices in the three major East Africa countries that is Kenya, Uganda and Tanzania. In Uganda and Tanzania it only has its agencies in capital cities that is Kampala and Dar Salam. In Kenya it has different agencies in major towns and Nairobi holding the highest number of Agencies.

AAR was established in 1984 by two by two private investors Mr. and Mrs. Beckman as an Air rescue service provider known as Africa Air Rescue. As a result of growing number of casualties, There was need to extend the services from just rescue of members from accident scene to Hospital for first medical attention to providing inpatient services to their members. This was to follow up on those AAR members who fall victims of accidents or illness could be returned back to the same position they were in before the tragedy or the illness strike. As the growing needs of the customer increased in the market, AAR opened up outpatient facilities in 1993 in order to extend their line of services to the clients. These outpatient facilities are medical centers with a wide range of staff which include Doctors, Nurses, pharmacist, Lab technicians and general assistant. They have a strong marketing team that is operating at different agency level in the country.

Their marketing practice, led by a polished experienced and well trained team, has made them one of the fastest growing and visible service provider and marketing companies in the region. They are always looking for the best ways to improve their brands and working closely with the trade and consumer. Their growing distribution network ensures that they are taking a prominent position as a household name in Kenya and the region. The services and product offered by AAR include both individual and corporate products. AAR has since undergone transition from Health Management Organization to Medical Insurance Provider and now it has become insurance company by being offered mandate by Commissioner of Insurance from 1st April 2012 to operate other lines of insurance other than the usual medical insurance. It’s currently undertaking its strategic initiative for 2016 to 2018 dubbed ”Sisimua strategy”.(www.aar-insurance.com)

1.2 Statement of the Problem
The insurance industry is becoming highly competitive and has a very dynamic market. This makes the insurance industry to continually create, implement, assess and improve on strategies so as to remain relevant and competitive in this market. Although, many insurance companies in Kenya have been implementing strategies in their respective organizations and re-organizing their business processes Rajagopal, (2012), it is important to note that more than 70 per cent of standard package implementation projects fail Milis & Mercken, (2012). An Economist survey found that a discouraging 57 percent of firms were unsuccessful at executing strategy initiatives over the past three years, according to a survey of 276 senior operating executives in 2004 Allios, (2014).

In the White Paper of Strategy Implementation of Chinese Corporations in 2006, 83 percent of the surveyed companies failed to implement their strategy smoothly, and only 17 percent felt that they had a consistent strategy implementation process. It is thus obvious that strategy implementation is a key challenge for today’s organizations. There are many (soft, hard and mixed) factors that influence the success of strategy implementation, ranging from the people who communicate or implement the strategy to the systems or mechanisms in place for co-ordination and control. How can we better understand these issues and their importance for successful strategy implementation? This study responded to this question by analyzing existing factors that influence strategy implementation in insurance industry in Kenya. Despite these problems in implementation, there is scanty local research on this important sector of strategy implementation to shed light on the best way to carry out the implementation process. A study by Gworo, (2012) determined the challenges of the implementation of growth strategies at Equity Bank Kenya Ltd. The challenges established included resistance on the part of the staff to accept the new strategy, political and cultural challenges. Gakenia, (2013) investigated strategy implementation in Kenya Commercial Bank. The study found that strategy implementation process at KCB follows the basic requirements for a successful strategy implementation. Amollo, (2013) studied the challenges of strategy implementation at the Parliamentary Service Commission of Kenya and found that the organization encountered slow procurement procedures due to among others, bureaucracy in administration. Chege, (2012) evaluated the challenges of strategy implementation for firms in the petroleum industry in Kenya and found out that strategy implementation challenges in the petroleum Industry in Kenya has a relationship to global oil industry factors. The numerous studies on strategy implementation have however not focused on use in insurance industry in Kenya. This represents a gap in Insurance industry. It is against this background that this study was proposed so as to critically evaluate the determinants if effective
strategy implementation in insurance companies in Kenya.

1.3 Objectives of the Study
The main objective of the study was to establish determinants of effective strategy implementation in Insurance companies in Kenya, a case of AAR Insurance. The specific objectives are:

1. To determine the influence of strategic planning on effective strategy implementation in AAR.
2. To assess the influence of resource allocation on effective strategy implementation in AAR.
3. To establish how strategic leadership effective strategy implementation in AAR.
4. To evaluate the influence of stakeholder involvement effective strategy implementation in AAR.

1.4 Research Question
1. What is the effect of strategic planning on strategy implementation in AAR?
2. What is the effect of resource allocation on strategy implementation in AAR?
3. What is the effect of strategic leadership on strategy implementation in AAR?
4. How does stakeholder involvement affect strategy implementation in AAR?

1.5 Justification of the Study

1.5.1 The AAR
The research will enable the management and staffs of AAR to see the need to adequately implement the set strategies effectively to achieve optimal performance.

1.5.2 Government
The information from this research will be beneficial to insurance companies in Kenya who are constantly under pressure from international bodies, donors and the citizens to perform and achieve the set targets. This will help them not only make very good strategic plans but also execute them.

1.5.3 Policy Makers
They will infer from this study in their quest to enact favorable policies and guidelines to enhance growth of revenue in Kenya.

1.5.4 The Researcher
By undertaking the study, the researcher will appreciate the determinants of strategy implementation in the AAR Insurance; and will further make major contribution to the existing body of knowledge on strategy implementation in insurance companies in Kenya.

1.5.5 Other Researchers
The research will become a benchmark for further studies to be conducted on strategy implementation in state corporations.

1.6 Scope of the Study
This research will be carried out at the AAR in Nairobi and Mombasa County, between September 2016 and October 2016 targeting all staff. The researcher will study the strategic planning, staff training, resource allocation, stakeholder involvement and management; and how these variables influence strategy implementation at AAR Insurance.

LITERATURE REVIEW

2.1 Introduction
Reviewing the existing literature around the topic of research interest is vitally important because it helps in understanding not only the body of knowledge that relates to the research topic but also in developing an argument about the relevance of the research Bryman & Bell, (2015). This chapter will systematically review the related literature to guide the reader in understanding what has already been done by other researchers in as far as is concerned; what concepts and theories are relevant in this area of research.

2.2 Theoretical Review
Theories are formulated to explain, predict, and understand phenomena and, in many cases to challenge and extend existing knowledge within the limits of the critical bounding assumptions. The theoretical framework introduces and describes the theory which explains why the research problem under study exists. A theoretical framework consists of concepts, together with their definitions, and existing theory/theories that are will use for the particular study (Sekaran, 2013).

2.2.1 McKinsey 7s Model
The McKinsey model theorizes that strategy implementation as interplay of 7 factors which managers need to take into account to enhance effective strategy implementation. These include; strategy, structure, system, shared values, style, staff and skills. Strategy is a set of actions that you start with and must maintain. Structure is the way people and tasks/work are organized, systems are the processes and information flows that link the organization together, style is the way managers behave, staff implies the human resources part of the organization and the way an organization develops managers (i.e. both current and future), shared values are the beliefs and culture inherent in that organization which are articulated in the vision
and mission, that shapes the destiny of the organization while skills are the dominant attributes or capabilities that exist in the organization Waterman, Robert, Peter, Thomas, Julien, & Phillips, (2013). All these are all interdependent, so if one fails to pay proper attention to one of them, it can bring the others crashing down around you. Therefore in order to implement a strategy effectively, implementers need to ask themselves a number of questions related to each of the 7 factors; Values – What are the core values and how do we communicate them? Strategy – What do we want to achieve? Structure – How is the organization structured and how does it communicate? Systems – How do systems and processes help us to keep on track? Style – How participative and effective is our leadership? Staff – Do we have the right people in the right place? Skills – What skills do we have and where are the gaps?

\[\text{Figure 2.1 The 7s McKinsey model}\]

Source: Adopted from (Waterman, Robert, Peter, Thomas, Julien, & Phillips, 2013)

2.2.2: The Resource-Based View Theory
As developed by Wernerfelt, (2014), the Resource Based View theory views competitiveness as a product of innovatively delivering superior value to customers. According to this theory, resources are inputs into a firm's production process and can be classified into three categories as; physical capital, human capital and organizational capital (Currie, 2009). A capability is a capacity for a set of resources to perform a stretch task of an activity. Each organization is a collection of unique resources and capabilities that provides the basis for its strategy and the primary source of its returns. In the 21st-century hyper-competitive landscape, a firm is a collection of evolving capabilities that are managed dynamically in pursuit of above-average returns. Thus, differences in firm's performances across time are driven primarily by their unique resources and capabilities rather than by an industry's structural characteristics (Currie, 2009). Managing strategically according to RBV involves developing and exploiting a firm's unique resources and capabilities and continually maintaining and strengthening those resources. The theory asserts that it is advantageous for a firm to pursue a strategy that is not currently being implemented by any other competing firm. Such resources must be either rare or hard to imitate or not easily substitutable. In this study, we therefore apply the Resource Based View theory to explain the influence of the management commitment to strategy implementation at the AAR (Wernerfelt, 2014).
2.2.3 Stakeholder Theory
According to the Stakeholder theory, every legitimate person or group participating in the activities of a firm or organization, do so to obtain benefits, and that the priority of the interests of all legitimate stakeholders is not self-evident. Donaldson & Preston (2005) argue that, although Stakeholder Theory is descriptive and instrumental, it is fundamentally more normative. Stakeholders are defined by their interests and all stakeholder interests are considered to be intrinsically valuable. The stakeholder Theory informs the basis upon which attitudes, structures, and practices require simultaneous attention by all legitimate stakeholders.

The theory highlights interests of different groups and argues on the possibility of favouring one group’s interest over that of another. Jones & Wicks (2009) point out that managers are responsible to deploy their wise decisions and best efforts in obtaining benefits for all stakeholders. This theory focuses on managerial or strategic decision-making and suggests that the interests of all stakeholders have intrinsic value, and no sets of interests are assumed to dominate others (Clarkson, 2015; Abdullah & Valentine, 2009). This theory is therefore relevant to the study as it showed how different stakeholders are important in parastatals as the management board ensures safeguard of all the stakeholders through implementation of strong corporate governance in a bid to effectively manage an enterprise risk.

2.2.4 Management Theory
In 1960, the Maslovian needs hierarchy was expanded by Douglas McGregor into the interface of management and motivation Dunford, (2012). In his work, labelled Theory X and Theory Y, McGregor argues that two approaches dominate managers’ attitude toward their employees. They either believe that employees inherently dislike work and thus should be coerced into performing it (Theory X), or they assume that employees grasp work as a natural part of life and thus can enjoy it and even seek for responsibility (Theory Y) (Robbins/Judge, 2008). Critics such as Watson (2014) do not believe that McGregor’s work holds water and consider it to be “grandiose claims and vast generalisations.” Though Watson does think that managers can find in this theory a useful service if they begin to think how to motivate employees. Loyal to his Theory Y concept, McGregor recommended that managers promote employee participation in decision-making such as strategic implementation, provision responsibility, create challenging jobs, and maintain good interpersonal relationships in the group (Robbins/Judge, 2008). According to Bruce and Pepitone (2008), Theory Y also implies that “recognition and self-fulfilment are as important as money”. Meaningful work and Work-Life-Balance are another outcome of Theory Y (Behn, 2015). McGregor’s theory Y is linked to the questions in the questionnaire that are concerned about training.

2.3 Conceptual Framework
Bryman & Bell, (2015) defines conceptual framework as a concise description of phenomenon under study accompanied by a graphical or visual depiction of the major variables of the study. According to Young (2009), conceptual framework is a diagrammatical representation that shows the relationship between dependent variable and independent variables. A conceptual framework shows the relationship between independent and dependent variable. In this study, the dependent variable is determinants of effective strategy implementation in State Corporation while the independent variables are strategic planning, resource allocation, quality management and stakeholder’s involvement.
2.3.1 Strategic Planning

Literature suggests that planning is a good management practice, and may be beneficial to business (Gibson & Cassar, 2012). According to (Montana & Charnov, 2013), planning is choosing a destination, evaluating alternative routes and deciding the specific course. This enables managers to think through the issues and problems and design alternatives to address the issues and overcome the problems. In agreeing with the above definition, (Brines, Mena, & Molina, 2013), see planning as a process of deciding what objectives to pursue during a future time period and what to do to achieve those objectives. Therefore, the age-old saying, ‘if you don’t know where you are going, any road will get you there,’” sums it up. Lerner and Almor (2012) contend that planning lays the groundwork for developing the strategic capabilities needed for high performance. According to Berman, Gordon, & Sussman, (2013) “firms that plan produce better financial results than firms that do not plan”. Bracker, Keats, & Pearson, (2013) further found that firms that undertook strategic planning performed better financially.

Strategic planning has been studied by various scholars including (Berman, Gordon, & Sussman, 2013); (Mintzeberg, 2014). Johnson & Scholes, (2011), define strategy as the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations. This therefore implies that a strategy is interested in the future of the organization as stipulated in its vision.

According to Johnson & Scholes, (2011), a strategy can be viewed from different perspectives; strategy as design, as experience, ideas or as discourse. Strategic issues in organizations are best seen from a variety of perspectives as suggested by the four strategy lenses. A design lens sees strategy in logical analytical ways. An experience lens sees the strategy as the product of individual experience and organizational culture. The ideas lens sees strategy as emerging from ideas within and around an organization. The discourse lens highlights the role of strategy language in shaping understandings within organizations and points to the importance of being able to talk this language effectively. The process of strategy formulation is called strategic planning. It’s a top management function, which is concerned with making decisions with regard to the determination of the organizations” mission, vision, philosophy, objectives, strategies and functional policies. Mead identified three characteristics of
strategic planning as follows, strategic planning is deliberate in that management takes a conscious decision to make a radical change, the organization has a specific objective, which it can no longer achieve by the old strategy such that a new strategy becomes necessary and the organization formulates a new goal, which can only be achieved by a new strategy Montana & Charnov, (2013). The product of the strategic planning process is a strategic plan.

According to Simba, Mwirigi, & Nanusonge, (2015), a strategic plan is built on a thorough analysis of the organization’s existing structure, governance, staff, program or service mix, collaborations, and resources (financial, human, technical, and material). A well-developed strategic plan serves as a blueprint for making these changes because it describes the following; A vision for the future, Strengths and weaknesses of the organization, the nature of the changes contemplated for future sustainable growth and development, the sequence of these changes, those who are responsible for guiding change, the resources required, whether they currently exist within the organization or must be generated from external sources. They further argue that strategic plans must also be systematically reviewed and revised so they remain topical, relevant, and “cutting edge. The whole organization must embrace the plan so that the “daily decisions are then made on the basis of this plan, which must be both practical – based upon your organization’s mission – and flexible, to allow for rapid change.

2.3.2 Resource Allocation

The existence of a very good plan does not automatically guarantee success of an organization. Plans therefore need to be executed for them to be meaningful to the organization and produce results. In the words of Peter Drucker, “The best plan is only a plan, that is, good intentions, unless it degenerates into work. The distinction that marks a plan capable of producing results is the commitment of key people to work on specific tasks. The test of a plan is whether management actually commits resources to actions which will produce results in the future. Unless such a commitment is made, there are only promises and hopes, but no plan”. (Dobni & Luffman, 2015). (Kirui, 2013), carried out a study on the factors influencing implementation of strategic plans in local authorities in Migori County. 5 local authorities with 180 population of employees took part in the study in which 90 employees were the respondents. The study found that almost uniformly, 84% of the authorities allocated less than 10% of their revenues on strategy implementation process.

Hrebiniak, (2014) conducted a study in which he talked to hundreds of managers with responsibility for strategy execution. From these discussions, he identified twelve execution challenges in the strategy execution process. He then completed two surveys of 400 managers in order to rank problems according to their importance in strategy execution. He noted the following problems; Inability to manage change effectively or to overcome internal resistance to change, Trying to execute a strategy that conflicts with the existing power structure, Poor or inadequate information sharing between individuals or business units responsible for strategy execution, Unclear communication of responsibility and/or accountability for execution decisions and actions, Poor or vague strategy, Lack of feelings of ‘ownership’ of a strategy or execution plans among key employees, Not having guidelines or a model to guide strategy, Lack of understanding of the role of the organizational structure and design in the execution process, Inability to generate ‘buy-in’ or agreement in critical execution steps or actions.

Lack of incentives or inappropriate incentives to support execution objectives, Lack of upper-management support, Insufficient financial resources. Hrebiniak’s work showed that ‘lack of upper management support’ and ‘insufficient financial resources’ were not considered to be important hurdles in the process of strategy execution. His explanation of this outcome is that managers do think that top management support and adequate financial resources are critical, but that these were developed in the planning process and become ‘givens’ in the execution process (Hrebiniak, 2014).

A study conducted by Chimanzı and Morgan’s (2005) also found out that allocating adequate funds and managing the budgets to deliver the company’s strategic initiatives is fundamental for the success of any strategy. It is therefore recommended that the strategic initiatives be allocated specific budget alongside capital and operating budgets. This protects strategic expenditure from being re-allocated to short term requirements whilst subjecting strategic initiatives to a rigorous review.

2.3.3 Strategic Leadership

According to Robbins, Judge and Campbell (2010) one of the major activities that should be performed by management/a strategic leader in strategy success is determining strategic direction. According to them, the top management team must develop a clear vision for the organisation. The development, articulation and communication of an exciting vision are critical tasks of the strategic
leadership of the organisation. They need to “paint a picture” of where the organisation will be in 5-10 years and get staff to buy into and commit to this future. The vision will seek to push and stretch employees beyond their current expectations. The vision serves as a destination for the organisation and therefore as a guide for strategy formulation and implementation. In addition, the vision propounded by the senior management team should outline the core values and ideology that the organisation intends to “live by”. If it is to have any impact, the vision must be communicated and reinforced throughout the organisation and over time. For example, Mullane (2002) cited by Dauber, Fin and Yolles (2012), discusses the need to translate the generalities of the vision into measurables – or specific targets – with commitment from all management levels and areas of the business.

While studying the A Configuration Model of Organizational Culture in 5 universities in Pakistani and Finland, Dauber, Fink and Yolles (2012) focused on exploiting and maintaining core competencies as some essential directional role that should be focused on by the strategic manager. According to them, core competencies can be described as the resources and capabilities of a firm that serve as a source of competitive advantage over its rivals; they are those things the firm has or does that allow it to set itself apart from competitors. Senior management must ensure that the firm’s core competences are maintained, invested in and developed over time to ensure they remain relevant. Relatedly, senior management needs to ensure the firm’s competences are part of the building blocks of the competitive strategy of the firm and that they are leveraged effectively in implementing that strategy. The direction on how they should be identified, obtained and maintained should come from the management.

In his study in firms in Europe in mid-2005, Thompson et al (2007) would additionally suggest that senior management need to put constructive pressure on the organisation to continually improve performance as a major directive for strategy success. In his reasoning, he argues that this directional achievements can be accomplished by: Nurturing a results-oriented work climate, Promoting an enabling culture, Setting stretch objectives and expectations, Promoting the use of tools such as benchmarking, business process reengineering, TQM, and Six Sigma, Emphasizing Ethical Practices etc.

Strengthening on ethical direction role as provided by the strategic leader as one deliverable that is needed for strategy success is the report by the Global Business and Management Research (2012). According to the report, the effectiveness of the implementation of a firm’s strategies improves when based on strong ethical foundations and in a culture that promotes ethical behaviours. In the absence of such an ethical culture staff and management may act opportunistically, taking advantage of their positions to benefit themselves. To create and ensure a strong ethical ethos in the organisation, senior management must themselves set an excellent ethical example. They must also build a compliance and enforcement process around ethical behavior.

In another relevant example, Piraye, Mahdavi and Nematpour (2011) did a Study of Organizational Culture Influence (Based on Denison’s Model) on Effectiveness of Human Resources in Karun Oil & Gas Production Company in Australian argued that the management should be in the forefront of identifying a strategic vision, mission, objectives, come up with specific communication codes and above all define specific codes of ethics. In the same note, CEOs like the campus directors or Vice chancellors in our universities should develop and communicate a code of ethics, provide ethics directional training to employees, form an ethics committee to give guidance on ethics matters, openly encourage employees to report possible infractions and many more.

Global Business and Management Research (2012) shows that taking ethical issues seriously can lead to: Increased motivation of employees, attracting higher caliber talent, bringing the sense of belongingness, ensuring personal differences taken into account and many more that lead to eventual success of institutional strategies. Mullane (2002) adds that, enhanced reputation in the marketplace, or customer and supplier goodwill.

Ng’ethe (2013) did a research on Determinants of Academic Staff Retention in Public Universities in Kenya and strongly emphasized that one major direction that should be given by the strategic leader in universities today is creating strategic plans. The senior management team like the VC, DVCs and campuses principals in universities must come together to review, discuss, challenge, and finally agree on the strategic direction and key components of the plan. Without genuine commitment from the senior team, successful implementation is unlikely.

According to Messah (2014), strategic group members in their direction development must challenge themselves to be clear in their purpose and intent, and to push for consistent operational definitions/direction that each member of the team
agrees to. This prevents differing perceptions or turf-driven viewpoints later on. A carefully chosen, neutral facilitator can be essential in helping the team to overcome process, group dynamics, and interpersonal issues.

Nyakeriga (2015) adds that, a common way to begin is to review the organization's current state and future possibilities using a SWOT (strength, weakness, opportunity, and threat) analysis as the basis direction for strategy vision development etc. This involves identifying strengths and core capabilities in products, resources, people, and customers and gives them direction on what should be done for strategy success in newly established universities like Eldoret University for example.

According to Wasike (2010), top management in Kenyan public universities (VCs, DVCs, Principals, Deans, HODs and many more) is for example largely responsible for the determination of organization structure direction (e.g., information flow, decision-making processes, and job assignments). Management must also recognize the existing organization culture and learn to work within or change its parameters. Top management is also responsible for the design and control of the organization's reward and incentive systems, as a direction for strategy implementation. This is an idea that is almost true with all the universities in the country, a fact that this research intends to find out.

2.3.4 Stakeholder Involvement

Many researchers on the subject of management have over-emphasized the need for strategic management to enabling a firm realizes its mandate. According to Mintzeberg, (2014), the essential process and idea in strategic management is that firms may start with a clear intended strategy, such as a strategic plan or vision. However, managing the implementation of an intended strategy is a challenge. In the process of enacting it, some aspects of it might fall away and/or not be accomplished (unrealized strategy). Other aspects may be realized as planned (deliberate), and there may also be some unexpected occurrences (emergent), i.e. surprises, that play a part in what the realized strategy is. The strategy that actually gets realized thus tends to be a mix of deliberate and emergent strategies.

In a study involving 172 Slovenian companies, Cater & Pucko, (2012) demonstrated that managers mostly rely on planning and organizing activities when implementing strategies, while the biggest obstacle to strategy implementation and execution is poor leadership.

According to Cater & Pucko, (2012), while a well-formulated strategy, a strong and effective pool of skills, and human capital are extremely important resources for strategy success, poor leadership is one of the main obstacles in successful strategy implementation. Lorange (2008) argued that the chief executive officer (CEO) and top management must emphasize the various interfaces within the organization. One key challenge in successful strategy implementation is ensuring employees’ buy-in and directing their capabilities and business understanding toward the new strategy. Therefore, the need for effective leadership outweighs any other factor. Beer and Eisenstat (2010) addressed this issue from a different perspective; they suggested that in the absence of effective leadership, conflicting priorities will result in poor coordination because employees will suspect that top management prefers to avoid potentially threatening and embarrassing circumstances.

Coordination of activities, streamlining of processes, aligning the organizational structure, and keeping employees motivated and committed to strategy implementation are key responsibilities of the leadership. Schaap, (2012) identified the role of the board, which is to ensure consistency among resource allocation, processes, and the firm’s intended strategy. Beer and Eisenstat (2010) referred to poor coordination across functions and inadequate down-the-line leadership skills and development as killers of strategy implementation. Zaribaf & Bayrami (2010) categorized the leadership’s importance into three key roles: managing the strategic process, managing relationships, and managing manager training. Similarly, Ansari’s (206) study on just-in-time purchasing concluded that the commitment and leadership of top-level management is essential in strategy implementation. In a study involving Zimbabwe’s state-owned enterprises, Mapetere, Mavhiki, Nyanwanza, Sikomwe, & Mhonde, (2014) found that relatively low leadership involvement in strategy implementation led to partial strategy success in the organization studied.

Jooste & Fourie (2009) argued that there are many organizations which have various strategies but due to lack of commitments of the policy makers and lack of strategic leadership these strategies do not generate the fruitful results. The other reasons behind the failure of strategy are lack of interest and efficient leadership to implement. Mapetere, et. al, (2014) stated that the reasons which cause failure of the strategies and despite having the best strategies, they could not bring forth results in Zimbabwe was only on account of negative leadership behavior which shows the strategy executive people were not liable, they were less
committed to the strategy. Lack of creative strategic vision in the organization they could not motivate and boot up morals of staff to obtain the determined objectives, communication among the middle level management and high level management in organization remained very low. Schaap, (2012) stated that top management and leadership behaviour affect the success of implementation of the strategy. Manager’s inadequate understanding of company strategies and future outlook, as well as inadequate attention and support of managers and other influencing people in the organization towards the implementing of business strategies hinder the successful implementation of strategies.

2.3.5 Strategy Implementation

Strategy implementation is a connecting loop between formulation and control. Hrebiniak, (2014) argued that while strategy formulation is difficult, making strategy work and executing it is even more difficult. Similarly, Cater & Pucko, (2012) concluded that while 80% of firms have the right strategies, only 14% have managed to implement them well. It is evident that firms which implement strategic planning achieve better performances than those without such planning, but these strategies often fail due to problems encountered at the implementation stage O'Regan & Ghobadian, (2102). Strategic decisions should, however, be implemented with an awareness that their success is vital for the organization in question. By identifying the determinants of effective strategy implementation, an organization will be better prepared for its future performance, which will ultimately contribute to its bottom line. Several studies (Brines, et. al, 2013; (Berman, et. al, 2013; (Chege. 2012; (Cater & Pucko, 2012) have emphasized the importance of formulating and implementing a strategy, with higher importance given to strategy formulation due to its criticality to the existence and expansion of the organization. However, implementing a strategy is much more difficult than formulating it. The former requires leadership skills, precision planning, and organizing of resources and activities as well as ensuring people’s commitment to the new strategy, while the latter requires creativity and understanding the business and assessing the market opportunities and the firm’s strengths. While strategy formulation is usually a function of top management, its implementation is the responsibility of middle and lower level managers. However, the role of top management is vital in preparing a workable strategy and communicating it clearly so that middle managers can more easily implement it. In other words, a successful implementation journey starts in the formulation stage and a failure to find that link between strategy formulation and strategy implementation is a step toward strategy failure.

Echoing this fact, Al-Kandi, Asutay & Dixon (2013), citing Charan and Colvin (2009) found that 70% of strategies fail due to poor implementation, whereby managers were indecisive and lacked commitment, and not as a result of the strategic content or decision itself; other researchers estimate the rate of failure to be between 50% and 90% (Brines, Mena, & Molina, 2013); Kaplan & Norton, 2011; conducted a study in the Iranian Health Sector and observed sixteen factors which will use failure of strategy, outlined as :- Resource limitation, Background, Lack of integration (poor communication), Conflicting goals and priorities, Environmental uncertainty ,Non-convergence, Lack of competent people, Lack of team management, Ineffective operational arrangement, Lack of support of top level, Unclear target of success ,Non-acceptor organizational culture ,Divergent organizational structure, Lack of commitment of decision makers ,Ambiguous strategy, Non convergence of organizational varied aspects to considered strategy. If a strategy fails because of unsuitable or poor implementation, then the effort invested during the formulation phases becomes worthless. Strategic thinking has no effect on a firm’s performance, unless all the elements or factors of the strategy fit together using the appropriate capabilities, system, and structure (Okumus, 2014). Since the implementation of strategies is often accompanied by changes in the process, system, and even structure of an organization Hrebiniak, (2014), executives must make wise decisions when approaching certain strategies that could affect people and their overall implementation.

Top management teams have discovered that formulating a strategic decision is a hard task; the execution or implementation of this strategy proves to be even harder Hrebiniak, (2014). As Schaap, (2012) states, the strategy-implementing or strategy-executing task is easily the most complicated and time-consuming part of strategic planning, frequently requiring a focus on creating strategic change. For managers, challenges continually arise from different positions surrounding the process. Indeed, there is no definitive method for achieving successful implementation; it is instead a continuous challenge that requires a collective approach from managers and low-level staff.
2.4 Empirical Review
(McAdam, Walker, & Hazlett, 2014) used an interpretive multiple case approach to investigate the links and relationships between strategy and operations in local government improvement efforts under the umbrella of the Local Government Modernization Agenda (LGMA) in England. They explored the implementation of structured change methods and performance measurement and management initiatives that have a linked strategic and operational focus through to stakeholder impact. They found that the structured integration of strategic level policy-setting and its associated operational level activity in local authorities is often obscure and lacking in cohesiveness.

(McAdam, Walker, & Hazlett, 2014) found that performance measurement and management at the strategic level is, for the most part, driven by emerging legislation and the need for compliance rather than improving service effectiveness. This, according to (McAdam, Walker, & Hazlett, 2014), led to discontinuity, delays in implementing policy, and criticism of performance measures from service delivery staff (McAdam, Walker, & Hazlett, 2014) used a case study of local authority and concentrated on aspects of integration of strategy in operations. This study set out to have a holistic approach to the effect of strategy implementation on organizational performance rather than focusing on fragmented elements of the whole such as integration and operations.

Sterling, (2013) in his paper used analytical approach to examine seven key reasons for strategy failure. They include unanticipated market changes, effective competitor responses to strategy, application of insufficient resources, failures of buy-in, understanding, communication, timeliness and distinctiveness, lack of focus, and bad strategy.

Sterling, (2013) argues that the real reasons why strategies fail are varied and the causes can often be anticipated and the pitfalls avoided. However, Sterling (2013) looks at strategy implementation with the notion of a business organization only and market in mind. Sterling (2013) generalizes the reasons for strategy failure as well as how to avoid the pitfalls. However, this might not be the case in reality. Although some of the reasons he gives for strategy failure may apply in the public sector, much of the public sector’s operating environment and goals have not been captured in his study. This study looked at strategy implementation in a specific organization in public sector. This explored specific issues that are only found in this sector that otherwise could not have been highlighted. (Peng & Littlejohn, 2014) focused on organizational communication within multi-unit organizations in order to understand better the strategy implementation process from a communication perspective. They investigated hotel chains in the United Kingdom with diversified business portfolios that were in the process of implementing a strategic initiative. They found that effective communication is a primary requirement of effective implementation but it does not guarantee the effectiveness of the implementation.

The study by (Peng & Littlejohn, 2014) took place in the United Kingdom and involved hotels in the private sector. United Kingdom is considered to be a developed country with a different operating environment from Kenya. This study sought to investigate the situation in a developing country context like Kenya focusing on the public sector. Implementation is widely recognized as one of the greatest points of weakness for all strategy initiatives.

According to (Meldrums & Atkinson, 2014), there is a need to focus on the fundamental managerial attributes which they refer as meta-abilities. (Meldrums & Atkinson, 2014) noted that many organizations have tried to overcome this problem through building the management competencies of their managers. They also noted that what tends to be absent from the development programmes designed to do this is attention to any higher order or enabling competencies. They used a case study approach to illustrate the sort of pitfalls involved and some implications for using management development in this way. They argue that without greater attention to these more fundamental managerial attributes, most management development programmes will lose their strategic effect.

Meldrum and Atkinson (2014) observed that using management development to improve strategy implementation demands a more sophisticated approach than tends to be used currently. They recommended that organizations should break out of the vicious circle of unsophisticated usage and to challenge their current practices in order to succeed in strategy implementation. Meldrum and Atkinson (2003) focused on the managerial attributes with the assumption that all the other factors affecting strategy implementation can be streamlined by managerial abilities. However, in reality, this might not be the case. There is a myriad of factors that influence strategy implementation that include individual and organizational factors. Equally, the study by Meldrum and Atkinson (2014) has not adequately linked fundamental managerial attributes to organization performance.
The current study sought to solve this problem by focusing on effects of strategy implementation and organizational performance. With an aim of developing an implementation framework, (Okumus, 2014) conducted a critical review of previous research and identified ten implementation variables. These variables were used to construct a conceptual framework. (Okumus, 2014) investigated the implementation process of a strategic decision in two international hotel groups via in-depth, semi-structured interviews, observations and documentation analysis. (Okumus, 2014) found initial conceptual framework to be useful as it grouped key variables together and illustrated their roles when implementing strategic decisions. However, three new variables emerged from (Okumus, 2014) findings. The three variables were multiple project implementation, organizational learning and working with external organizations. (Okumus, 2014) proposed a revised framework to include these variables. He concluded by emphasizing the importance of contextual variables in implementation and dispelled the strategic management notion of “fit”. The study by (Okumus, 2014) is in line with this study in regard to emphasizing contextual variables. However, (Okumus, 2014) study concentrates on business organizations and therefore ignore the public sector. (Okumus, 2014) also assumes that a proper implementation framework will result to better organizational performance. This study focused on establishing the effect of strategy implementation on organizational performance in the public sector context.

(Sakyi & Bawole, 2014) did a study on challenges in implementing code of conduct within the public sector in Anglophone West African countries. They used perspectives from public managers to report on barriers to the implementation of code of conduct in the public sector. They adopted a qualitative research strategy using focused group interviews for 35 serving senior, middle and junior level managers drawn from Ghana (8), Nigeria (9), Gambia (7), Liberia (6) and Sierra Leone (5). (Sakyi & Bawole, 2014) found that all the countries were making frantic efforts at improving the ethical conduct of public sector managers through the introduction of various reforms measures including code of conduct as key components. However, the practical application of the code of conduct in public administration was found to be limited. The reasons given for this included deficiencies in code implementation, lack of exemplary leadership, ineffective reward and punishment system and unsupportive public service organizational culture. (Sakyi & Bawole, 2014) recommended remedial actions as establishing a strong leadership, rigorous application of a reward and punishment system and supporting organizational culture. Although the study by (Sakyi & Bawole, 2014) focused on the public sector, it only concentrated on barriers to implementation without linking it to performance of public organizations. This study not only looked at the challenges of strategy implementation but also moved further to establish their effect on organizational performance.

Chiou, (2014), drawing from the governance and relationship perspectives, did an empirical analysis on the reformation of organizations. He sought to establish the factors that will enhance the government’s administrative efficiency and effectiveness and how to improve organizational performance in Taiwan. Chiou found that some factors that enhance government’s administrative efficiency include organizational structure, management mechanism, resources and ability as well as partnerships. Chiou also found that some factors that will enhance organization performance include compatibility, complementarily, collaboration, knowledge sharing, information technology and effective governance. Chiou (2014) does not however explain the extent to which each of the factors affects organizational performance. Equally, this study was conducted in Taiwan 18 which is a different context from Kenya. A study focusing on the effect of strategy implementation on organizational performance in Kenya would therefore be more meaningful given variations in the environment of governance between the two nations.

(Sorooshian, Norzina, & Rosna, 2012) examined the structural relationships between strategy implementation and performance within the small and medium manufacturing firms in Malaysia. They identified three fundamental factors in strategy implementation namely the structure, leadership style and resources. (Sorooshian, Norzina, & Rosna, 2012) then came up with a structural equation model on the relationship among drivers of strategy implementation and organization performance and also sensitivity analysis on the drivers. The main focus of this study was in private sector and small as well as medium manufacturing firms in particular. The results of the study cannot therefore be generalized to cover all the other sectors. Since the strategy implementation is believed to be a dynamic activity within the strategic management process, it is imperative that its effect on organizational performance should be measured across all sectors and at different levels.
2.5 Critique of Literature
Stakeholder theories emphasize core management without really showing how the non-legitimate groups are catered for. Although focus is on interrelationships, it assumes interest of stakeholders to be balanced against each other. Some stakeholders never know they are stakeholders. For example in our Kenyan setup, citizens view the government as insincere and overburdening them when collecting tax; and this could explain some instances of tax evasion. This is because the Kenyan citizens do not see themselves as primary stakeholders in developing their country. Resource Based View (RBV) theories fail to recognize the complexities of industry and the external environment to be influencing an organization.

The theories can be faulted since assuming that the performance and competitiveness of an organization relies on the uniqueness of its resources, underestimates the influence of the external environment and industry as influencing an organizations performance. In all the studies for all variables, the assumption was that, applicability is universal, but different regions of the world view each of the study variables in a completely different way and more so, the African and Kenyan context does not come out clearly even for the studies carried out on the African continent.

The studies carried out in the variables mentioned have tended to wrongly assume that each of the variables appear in isolation although other studies tend to believe none of the variables can appear in isolation. Combination of seemingly related variables like management and leadership is not particularly effective since the two aspects have distinct features which should be studied independently.

2.6 Research Gaps
Previous studies did not examine the determinants of strategy implementation in the insurance companies in Kenya especially the AAR insurance. Although the study conducted by Wachira, (2014), focus will use on factors influencing implementation of strategic plans at AAR Insurance, only four respondents will take part in this study; the finance manager, strategic planning manager, human resource manager and the marketing manager. This may renders findings biased and may not warrant a concrete observation for generalization. Despite these problems in implementation, there is scantly local research on this important sector of strategy implementation to shed light on the best way to carry out the implementation process.

A study by Gworo, (2012) determined the challenges of the implementation of growth strategies at Equity Bank Kenya Ltd. The challenges established included resistance on the part of the staff to accept the new strategy, political and cultural challenges. Gakenia, (2013) investigated strategy implementation in Kenya Commercial Bank. The study found that strategy implementation process at KCB follows the basic requirements for a successful strategy implementation. Amollo, (2013) studied the challenges of strategy implementation at the Parliamentary Service Commission of Kenya and found that the organization encountered slow procurement procedures due to among others, bureaucracy in administration. Chege, (2012) evaluated the challenges of strategy implementation for firms in the petroleum industry in Kenya and found out that strategy implementation challenges in the petroleum Industry in Kenya has a relationship to global oil industry factors. The numerous studies on strategy implementation have however not focus will use on the private sector in Kenya. This represents a gap in public sector. It is against this background that this study was proposed so as to critically evaluate the determinants if effective strategy implementation in insurance companies in Kenyain Kenya.

2.7 Summary
This chapter will review literature on the extent to which strategic planning, employee training, resource allocation, quality management and stakeholder involvement affect strategy implementation in the insurance industry. It will review relevant theories, outcomes, suggestions and workable solutions that seek to address strategy implementation in the insurance industry.

RESEARCH METHODOLOGY

3.1 Introduction
This chapter sets out the research; methodology was used to meet the objective of the study. Included in this section are; the research design, the target population, sampling design, data collection instruments, sample procedure, validity and reliability of research and data analysis and presentation.

3.2 Research Design
The researcher used descriptive research design. Descriptive study is concerned with finding out who, what, where and how much of a phenomenon, which is the concern of the study. Sekaran, (2013)
observes that the goal of descriptive research is to offer the researcher a profile or describe relevant aspects of the phenomena of interest from the individual, organization, industry or other perspective. In addition the design best fit in the ascertainment and description of characteristics of variable in this research study and allows for use of questionnaires, interviews and descriptive statistics such as frequencies and percentages. In addition a descriptive design was appropriate since it will enable the researcher to collect enough information necessary for generalization.

3.3 Target Population
Population refers to the entire group of people or things of interest that the researcher wishes to investigate (Bryman & Bell, 2015). The population for the study is 340 officer of AAR Insurance working in various departments. Target population refers to the entire group of individuals or objects to which researchers are interested in generalizing the conclusions. The target population usually has varying characteristics and it is also known as the theoretical population (Bryman & Bell, 2015). The study targeted assistant managers, supervisors and officers since they are ones responsible for strategy implementation. This will comprise of 60 assistant managers, 100 supervisors and 140 officers who work at the AAR, Mombasa branch. The target population for the study is 340.

### Table 3.1 Target Population

<table>
<thead>
<tr>
<th>Level</th>
<th>Target Population</th>
<th>Percentage</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Managers</td>
<td>60</td>
<td>30</td>
<td>18</td>
</tr>
<tr>
<td>Supervisor</td>
<td>100</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Officers</td>
<td>180</td>
<td>30</td>
<td>54</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>340</strong></td>
<td></td>
<td><strong>102</strong></td>
</tr>
</tbody>
</table>

3.4 Sample
Kothari & Gang, 2014) asserts that sampling is that part of the statistical practice concerned with the selection of individual or observations intended to yield some knowledge about a population of concern, especially for the purpose of statistical inferences. They advise that a researcher would have to use 30% of the total target population as a sample for it to be accepted as a good representative sample. The sample size was 102 as shown in table 3.2.

### Table 3.2 Sample Size

<table>
<thead>
<tr>
<th>Level</th>
<th>Target Population</th>
<th>Percentage</th>
<th>Sample Size</th>
</tr>
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<td>54</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>340</strong></td>
<td></td>
<td><strong>102</strong></td>
</tr>
</tbody>
</table>

3.5 Sampling Techniques
Sampling is the process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire population. Sample is a small group of objects or individuals selected or drawn from a population in such a manner that its characteristics represent population characteristics (Bryman & Bell, 2015).

Stratified random sampling method will be used to select relevant respondents from various departments of AAR Insurance. (Sekaran, 2013) argue that stratified random sampling is where a given number of cases are randomly selected from each population sub-group. It thus ensures inclusion in the sample of subgroup which otherwise could be omitted entirely by other sampling methods. In this case stratification will be based on department from which employees come from.

Stratified sampling enables the population to be divided into three segments (relevant departments within AAR) called strata namely, assistant managers, supervisors and officers. Simple random sample is then drawn from each stratum, and then those sub-samples joined to form complete stratified samples. In addition proportional allocation is done, where each stratum contributed to the sample a number that is proportional to its size in the population.
3.6 Data Collection Instruments
The researcher used structured questionnaires to collect primary data from AAR insurance respondents. A questionnaire with high reliability would receive similar answers if it is done again and again or by other researchers (Bryman & Bell, 2015). In addition the questionnaires are convenient for the task in that they can be easily and conveniently administered with the study sample. The use of questionnaire is cost effective, less time consuming as compared to the use of interview. Data was collected through the use of well-structured questionnaire is easy to analyze. The questionnaire will use Likert scale because it requires respondents to respond to a series of statements by indicating whether he or she agrees to a great extent or no extent.

3.7 Data Collection Procedure
The researcher used primary and secondary data. Structured questionnaires are used to collect primary data from respondents. The questionnaire was self-administered to the respondents and will be collected after three days. Secondary data was obtained from related materials in the internet, procurement journals, white papers, periodicals and books relevant to the study.

3.8 Pilot Testing
The questionnaire was pilot tested before the actual data collection. This involved a few respondents from AAR Insurance to ascertain its effectiveness. The researcher is interested in testing the reliability of the research instruments, the questionnaire hence validity of data collected. Validity is the accuracy and meaningfulness of inferences which are based on the research results (Bryman & Bell, 2015) asserts that reliability is done using Cronbach’s Alpha Model on SPSS.

(Kothari & Gang, 2014) assert that reliability is the measure of the degree to which research instrument yields consistent results or data after repeated trials. The researcher will do a pilot test with 10% of respondents before distributing the questionnaire. The researcher used 11 respondents for the pilot process. The purpose is to ensure that those items in the questionnaire are clearly stated and have the same meaning to all respondents. At the same time it will help to determine how much time is required to administer the questionnaire. Respondents for pre-testing will not form part of the sample.

3.9 Data Processing, Analysis and Presentation
(Kothari & Gang, 2014) argues that data collected has to be processed, analyzed and presented in accordance with the outlines laid down for the purpose at the time of developing the research plan. Data analysis involves the transformation of data into meaningful information for decision making. It involves editing, error correction, rectification of omission and finally putting together or consolidating information gathered. The collected data was analyzed quantitatively and qualitatively.

Descriptive and inferential statistics is done using SPSS version 22 and specifically multiple regression model is applied. Set of data is described using percentage, mean standard deviation and coefficient of variation and presented using tables, charts and graphs. (Bryman & Bell, 2015) argue that regression is the working out of a statistical relationship between one or more variables. The researcher used multiple regression analysis to show the effect and influence of the independent variables on the dependent variable.

The relationship is as follows;
\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \]
Where \( Y \) represents Effective Strategy Implementation at AAR (dependent variable),
\( X_1 \) = Strategic Planning,
\( X_2 \) = Resource Allocation,
\( X_3 \) = Strategic Leadership,
\( X_4 \) = Stakeholder Involvement.
\( \beta_0 \) is Constant Term, \( \beta_1, \beta_2, \beta_3 \) and \( \beta_4 \) are regression coefficients and \( \varepsilon \) is the disturbance/error term.

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction
This chapter presents analysis of the data on the determinants of effective strategy implementation in the insurance industry in Kenya. The chapter also provides the major findings and results of the study and discusses those findings and results against the literature reviewed and study objectives. The data is mainly presented in frequency tables, means and standard deviation.

4.2 Response Rate
The study targeted 100 employees of AAR insurance in Mombasa County, Kenya. From the study, 74 out of the 100 sample respondents filled-in and returned the questionnaires making a response rate of 74% as per Table 4.1 below.

Table 4.1 Questionnaire Response Rate

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>74%</td>
</tr>
</tbody>
</table>
Non-Respondents  
26 26%  

TOTAL  
100 100  

According to (Kothari & Gang, 2014) a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent; therefore, this response rate was adequate for analysis and reporting.

4.2.1 Validity  
Factor analysis was used to check validity of the constructs. Kaiser-Mayor-Oklin measures of sampling adequacy (KMO) & Bartlett’s Test of Sphericity is a measure of sampling adequacy that is recommended to check the case to variable ratio for the analysis being conducted. In most academic and business studies, KMO & Bartlett’s test play an important role for accepting the sample adequacy. While the KMO ranges from 0 to 1, the world-over accepted index is over 0.5. Also, the Bartlett’s Test of Sphericity relates to the significance of the study and thereby shows the validity and suitability of the responses collected to the problem being addressed through the study. For Factor Analysis to be recommended suitable, the Bartlett’s Test of Sphericity must be less than 0.05.

The study applied the KMO measures of sampling adequacy and Bartlett’s test of sphericity to test whether the relationship among the variables has been significant or not as shown in below in table 4.2. Factor 1 was based on four items that represented strategic planning; Factor 2 was based on four items that represented resource allocation, Factor 3 was based on four items that represented strategic leadership, Factor 4 with four items represented measurement of stakeholder involvement, Factor 5 with eight items represented strategy implementation. The Kaiser-Mayor-Oklin measures of sampling adequacy shows the value of test statistic as 0.800, which is greater than 0.5 hence an acceptable index. While Bartlett’s test of sphericity shows the value of test statistic as 0.000 which is less than 0.05 acceptable indexes. This result indicates a highly significant relationship among variables.

<table>
<thead>
<tr>
<th>KMO and Bartlett’s Test</th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Oklin Measure of Sampling Adequacy.</td>
<td>.800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bartlett’s Test of Sphericity</td>
<td>Approx. Chi-Square</td>
<td>227.267</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Df</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig.</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

4.2.2 Reliability Analysis  
Prior to the actual study, the researcher carried out a pilot study to pre-test the validity and reliability of data collected using the questionnaire. The pilot study allowed for pre-testing of the research instrument. The results on reliability of the research instruments are presented in Table 4.3 below.

<table>
<thead>
<tr>
<th>Table 4.3 Reliability Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scale</td>
</tr>
<tr>
<td>Strategic Planning</td>
</tr>
<tr>
<td>Resource Allocation</td>
</tr>
<tr>
<td>Strategic Leadership</td>
</tr>
<tr>
<td>Stakeholders Involvement</td>
</tr>
<tr>
<td>Strategy Implementation</td>
</tr>
</tbody>
</table>

The overall Cronbach's alpha for the four categories which is 0.792. The findings of the pilot study showed that all the four scales were reliable as their reliability values exceeded the prescribed threshold of 0.7 (Mugenda & Mugenda, 2008).

4.3 Background Information  
Background information gathered was based on gender, department working in, working experience and level of education.

4.3.1 Gender  
The study sought to establish the gender of respondents. The study results revealed that male respondents were 65.3% and female were 34.7%.
with a mean score of 1.35 and a standard deviation of 0.479. This shows that the majority of respondents that participated in the study were male as shown in figure 4.1 below.

4.3.2 Department Working In
The study sought to establish the department that respondents work in. The study results showed that 37.5% of the respondents work in management, 27.8% work in finance department, 19.4% work in the marketing department and 15.3% work in the human resources department with a mean score of 2.13 and a standard deviation of 1.087. This shows that majority of respondents that participated in the study work in management. This implies that the collected data is relevant in strategy implementation as shown in figure 4.2 below.
4.3.3 Working Experience
The study sought to establish the working experience of the respondents. The study results revealed that respondents with working experience of between 0-2 years were 15.3%, between 3-5 years were 41.7%, between 6-9 years were 29.2% and those over 10 years of working experience were 13% with a mean score of 2.42 and a standard deviation of 0.915. This shows that majority of respondents that participated in the study have a working experience of between 3-5 years as shown in figure 4.3 below.

![Working Experience](image)

**Figure 4.3 Working Experience**

4.3.4 Level of Education
The study sought to establish the level of education of respondents. The study results showed that respondents that hold certificates were 38.9%, degree holder were 37.5% and post graduates were 23.6% with a mean score of 1.85 and a standard deviation of 0.781. This shows that majority of respondents hold certificates as shown in figure 4.4 below.
4.3.5 Strategic Plan
The study sought to establish whether there is a strategic plan in the organization. The study results showed that 76.4% of the respondents showed that there is a strategic plan and 23.6% there is no strategic plan with a mean score of 1.24 and a standard deviation of 0.428 as shown in figure 4.5 below.

4.3.6 Extent to which strategic plan is effectively Implemented
The study sought to establish the extent to which strategic plan is effectively implemented in the organization. 12.5% very large extent, 44.4% large extent, 19.4% undecided, 11.1% small extent and 12.5% very small extent with a mean score of 2.67 and a standard deviation of 1.210. These show that strategic planning is effectively implemented to a large extent as shown in figure 4.6 below.
4.4 Analysis of Objectives

In the research analysis the researcher used a tool rating scale of 5 to 1; where 5 were the highest and 1 the lowest. Opinions given by the respondents were rated as follows, 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree and 1= Strongly Disagree. The analyses for mean, standard deviation were based on this rating scale.

4.4.1 Strategic Planning

Table 4.4 Strategic Planning

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic planning is important in effective strategy implementation</td>
<td>72</td>
<td>3.49</td>
<td>1.583</td>
</tr>
<tr>
<td>Without good strategic plan an organization cannot be succeed in achieving its goals</td>
<td>72</td>
<td>4.06</td>
<td>.748</td>
</tr>
<tr>
<td>Strategic planning does not matter so much in effective strategy implementation</td>
<td>72</td>
<td>3.43</td>
<td>1.382</td>
</tr>
<tr>
<td>Nothing can go on effectively and efficiently in any corporation without a good strategic plan</td>
<td>72</td>
<td>4.10</td>
<td>1.334</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>72</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The first objective of the study was to establish the effects of strategy planning on effective strategy implementation in the insurance industry in Kenya. Respondents were required to respond to set questions related to strategy planning and give their opinions. The statement that strategy planning is important in effective strategy implementation had a mean score of 3.49 and a standard deviation of 1.583. This statement is agreement with (Simba, Mwirigi, & Namusonge, 2015) that strategy planning is the map upon which strategies are implemented in an organization.
agreement that without good strategic plan an organization cannot be succeed in achieving its goals had a mean score of 4.06 and a standard deviation of 0.748. The statement that strategic planning does not matter so much in effective strategy implementation had a mean score of 3.43 and a standard deviation of 1.382. The statement that nothing can go on effectively and efficiently in any corporation without a good strategic plan had a mean score of 4.10 and a standard deviation of 1.334.

4.4.2 Resource Allocation

Table 4.5 Resource Allocation

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequate resource allocation is important in effective strategy implementation</td>
<td>72</td>
<td>3.81</td>
<td>1.146</td>
</tr>
<tr>
<td>Without allocating adequate resources an organization cannot succeed in achieving its goals</td>
<td>72</td>
<td>3.28</td>
<td>1.436</td>
</tr>
<tr>
<td>Resource allocation does not matter so much in effective strategy implementation</td>
<td>72</td>
<td>2.94</td>
<td>1.099</td>
</tr>
<tr>
<td>Nothing can go on effectively and efficiently in any insurance company without allocating adequate resources</td>
<td>72</td>
<td>4.13</td>
<td>.871</td>
</tr>
</tbody>
</table>

The second objective of the study was to establish the effects of resource allocation on effective strategy implementation in the insurance industry in Kenya. Respondents were required to respond to set questions related to resource allocation and give their opinions. The statement that adequate resource allocation is important in effective strategy implementation had a mean score of 3.81 and a standard deviation of 1.146. The statement that without allocating adequate resources an organization cannot succeed in achieving its goals had a mean score of 3.28 and a standard deviation of 1.436. The statement that resource allocation does not matter so much in effective strategy implementation had a mean score of 2.94 and a standard deviation of 1.099. This statement in disagreement with Schaap, (2012) that underscored the importance of allocating resources to various activities in the organization to be able to implement strategies effectively. The statement that nothing can go on effectively and efficiently in any insurance company without allocating adequate resources had a mean score of 4.13 and a standard deviation of 0.871.This statement is in agreement with Okumus, (2014) that underscored that financing follows strategy.

4.4.3 Strategic Leadership

Table 4.6 Strategic Leadership

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic leadership is important in effective strategy implementation</td>
<td>72</td>
<td>3.89</td>
<td>1.069</td>
</tr>
<tr>
<td>Without strategic leadership an organization cannot succeed in achieving its goals</td>
<td>72</td>
<td>3.36</td>
<td>1.447</td>
</tr>
<tr>
<td>Strategic Leadership does not matter so much in effective strategy implementation</td>
<td>72</td>
<td>3.92</td>
<td>.666</td>
</tr>
<tr>
<td>Nothing can go on effectively and efficiently in any insurance company without strategic leadership</td>
<td>72</td>
<td>4.15</td>
<td>.929</td>
</tr>
</tbody>
</table>

The third objective of the study was to establish the effects of strategic leadership on effective strategy implementation in the insurance industry in Kenya. Respondents were required to respond to set
questions related to strategic leadership and give their opinions. The statement that strategic leadership is important in effective strategy implementation had a mean score of 3.89 and a standard deviation of 1.069. The statement that without strategic leadership an organization cannot succeed in achieving its goals had a mean score of 3.92 and a standard deviation of 0.666. The statement that nothing can go on effectively and efficiently in insurance company without strategic leadership had a mean score of 4.15 and a standard deviation of 0.929. This statement is in agreement with Kirui, (2013) that underscore that strategic leadership is the driver that delivers effective strategy implementation in any organization.

4.4.4 Stakeholder Involvement

Table 4.7 Strategic Involvement

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder involvement is important in effective strategy implementation</td>
<td>72</td>
<td>4.07</td>
<td>1.155</td>
</tr>
<tr>
<td>Without stakeholder involvement an organization cannot be succeed in achieving its goals</td>
<td>72</td>
<td>4.15</td>
<td>1.183</td>
</tr>
<tr>
<td>Stakeholder involvement does not matter so much in effective strategy implementation</td>
<td>72</td>
<td>3.85</td>
<td>1.479</td>
</tr>
<tr>
<td>Nothing can go on effectively and efficiently in any insurance company without involving stakeholders</td>
<td>72</td>
<td>3.97</td>
<td>1.289</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>72</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The fourth objective of the study was to establish the effects of stakeholder’s involvement on effective strategy implementation in the insurance industry in Kenya. Respondents were required to respond to set questions related to stakeholder’s involvement and give their opinions. The statement that stakeholder involvement is important in effective strategy implementation had a mean score of 4.07 and a standard deviation of 1.155. This statement is in agreement with Wachira, (2014) that the success of implementing a strategy in an organization requires that as many stakeholders’ as possible should be brought on board to run and own the vision, mission, core values and objectives. The statement that without stakeholder involvement an organization cannot succeed in achieving its goals had a mean score of 4.15 and a standard deviation of 1.183. The statement that stakeholder involvement does not matter so much in effective strategy implementation had a mean score of 3.85 and a standard deviation of 1.479. The statement that nothing can go on effectively and efficiently in any insurance company without involving stakeholders had a mean score of 3.97 and a standard deviation of 1.289.

4.4.5 Strategy Implementation

Table 4.8 Strategy Implementation

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational aims and objectives were achieved as per time frame stated in plan</td>
<td>72</td>
<td>3.83</td>
<td>1.636</td>
</tr>
<tr>
<td>Key strategic milestones were celebrated</td>
<td>72</td>
<td>4.21</td>
<td>.711</td>
</tr>
<tr>
<td>Monitoring/evaluation team reports show that the firm is on track in implementing its strategies</td>
<td>72</td>
<td>3.75</td>
<td>1.480</td>
</tr>
<tr>
<td>Monitoring/evaluation reports indicate that majority of strategies implemented are on target</td>
<td>72</td>
<td>3.94</td>
<td>1.491</td>
</tr>
<tr>
<td>Over the strategy implementation schedule, the firm improved its operational efficiency</td>
<td>72</td>
<td>3.65</td>
<td>1.406</td>
</tr>
<tr>
<td>Stakeholder reports show that they are satisfied with firm outcomes</td>
<td>72</td>
<td>4.03</td>
<td>1.007</td>
</tr>
<tr>
<td>The organization has improved in its earnings as a result of effectively implementing strategies</td>
<td>72</td>
<td>3.86</td>
<td>1.595</td>
</tr>
<tr>
<td>The various strategies implemented make the customers satisfied</td>
<td>72</td>
<td>4.12</td>
<td>1.278</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>72</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The statement that organizational aims and objectives were achieved as per time frames stated in the plan had a mean score of 3.83 and standard deviation of 1.636. The statement that key strategic milestones were celebrated had a mean score of 3.75 and a standard deviation of 1.480. The statement that monitoring and evaluation reports indicate that majority of strategies implemented are on target had a mean score of 3.94 and a standard deviation of 1.491. The statement that over the strategy implementation schedule, the firm improved its operational efficiency had a mean score of 3.65 and a standard deviation of 1.406. The statement that stakeholders reports show that they are satisfied with firm outcomes had a mean score of 4.03 and a standard deviation of 1.007. The statement that the organization has improved in its earnings as a result of effective implementing strategies had a mean score of 3.86 and standard deviation of 1.595. The statement that the various strategies implemented make the customers satisfied had a mean score of 4.12 and a standard deviation of 1.278. This statement is in agreement with Simba, et. al (2015) that the aim of implementing strategies in any organization is to achieve customer satisfaction.

4.5 Correlation Analysis
To establish the relationship between the independent variables and the dependent variable the study conducted correlation analysis which involved coefficient of correlation and coefficient of determination.

4.5.1 Coefficient of Correlation
Pearson Bivariate correlation coefficient was used to compute the correlation between the dependent variable (Public Procurement Performance) and the independent variables (top management commitment, supply chain timelines, supply chain costs and supply chain product). According to Sekaran, (2015), this relationship is assumed to be linear and the correlation coefficient ranges from -1.0 (perfect negative correlation) to +1.0 (perfect positive relationship). The correlation coefficient was calculated to determine the strength of the relationship between dependent and independent variables (Kothari & Gang, 2014).

Table 4.9 Pearson Correlation

<table>
<thead>
<tr>
<th></th>
<th>Strategy Implementation</th>
<th>Strategic Planning</th>
<th>Resource Allocation</th>
<th>Strategic Leadership</th>
<th>Stakeholder Involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy Implementation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Planning</td>
<td>.714**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource Allocation</td>
<td>.394**</td>
<td>.355**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Leadership</td>
<td>.639**</td>
<td>.722**</td>
<td>.255*</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Stakeholder Involvement</td>
<td>.655**</td>
<td>.895**</td>
<td>.319**</td>
<td>.645**</td>
<td>1</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

In trying to show the relationship between the study variables and their findings, the study used the Karl Pearson’s coefficient of correlation (r). This is as shown in Table 4.9 below. According to the findings, it was clear that there was a positive correlation between the independent variables, strategic planning, resource allocation, strategic leadership and stakeholder involvement and the
dependent variable strategy implementation. The analysis indicates the coefficient of correlation, r equal to 0.714, 0.394, 0.639 and 0.655 for strategic planning, resource allocation, strategic leadership and stakeholders’ involvement respectively. This indicates positive relationship between the independent variable namely strategic planning, resource allocation, strategic leadership and stakeholders’ involvement and the dependent variable strategy implementation.

4.5.2 Coefficient of Determination ($R^2$)

To assess the research model, a confirmatory factors analysis was conducted. The four factors were then subjected to linear regression analysis in order to measure the success of the model and predict causal relationship between independent variables (Strategic Planning, Resource Allocation, Strategic Leadership and Stakeholders’ Involvement), and the dependent variable (Strategy Implementation).

Table 4.10 Coefficient of Determination ($R^2$)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.752a</td>
<td>.566</td>
<td>.540</td>
<td>2.14707</td>
<td>.566</td>
<td>21.826</td>
<td>4</td>
<td>67</td>
<td>.000</td>
</tr>
</tbody>
</table>

The model explains 56.6% of the variance (Adjusted R Square = 0.540) on strategy implementation. Clearly, there are factors other than the four proposed in this model which can be used to predict strategy implementation. However, this is still a good model as Gaur and Gaur (2009) pointed out that as much as lower value R square 0.10-0.20 is acceptable in social science research.

This means that 56.6% of the relationship is explained by the identified four factors namely strategic planning, resource allocation, strategic leadership and stakeholders’ involvement. The rest 43.4% is explained by other factors in the strategy implementation not studied in this research. In summary the four factors studied namely, strategic planning, resource allocation, strategic leadership and stakeholders’ involvement or determine 56.6% of the relationship while the rest 43.4% is explained or determined by other factors.

4.6 Regression Analysis

4.6.1 Analysis of Variance (ANOVA)

The study used ANOVA to establish the significance of the regression model. In testing the significance level, the statistical significance was considered significant if the p-value was less or equal to 0.05. The significance of the regression model is as per Table 4.11 below with P-value of 0.00 which is less than 0.05. This indicates that the regression model is statistically significant in predicting factors of strategy implementation. Basing the confidence level at 95% the analysis indicates high reliability of the results obtained. The overall Anova results indicates that the model was significant at $F = 21.826$, $p = 0.000$.

Table 4.11 ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>402.457</td>
<td>4</td>
<td>100.614</td>
<td>21.826</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>308.863</td>
<td>67</td>
<td>4.610</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>711.319</td>
<td>71</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Strategy Implementation
b. Predictors: (Constant), Stakeholder Involvement, Resource Allocation, Strategic Leadership, Strategic Planning

4.6.2 Multiple Regression

The researcher conducted a multiple regression analysis as shown in Table 4.12 so as to determine the relationship between value chain and the four variables investigated in this study.
### Table 4.12 Multiple Regression

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>26.048</td>
</tr>
<tr>
<td></td>
<td>Strategic Planning</td>
<td>.361</td>
</tr>
<tr>
<td></td>
<td>Resource Allocation</td>
<td>.241</td>
</tr>
<tr>
<td></td>
<td>Strategic Leadership</td>
<td>.318</td>
</tr>
<tr>
<td></td>
<td>Stakeholder Involvement</td>
<td>.086</td>
</tr>
</tbody>
</table>

*a. Dependent Variable: Strategy Implementation*

The regression equation was:

\[ Y = 26.048 + 0.361X_1 + 0.241X_2 + 0.318X_3 + 0.086X_4 \]

Where:

- \( Y \) = the dependent variable (Strategy Implementation)
- \( X_1 \) = Strategic Planning
- \( X_2 \) = Resource Allocation
- \( X_3 \) = Strategic Leadership
- \( X_4 \) = Stakeholders’ Involvement

The regression equation above has established that taking all factors into account (Strategy Implementation as a result of strategic planning, resource allocation, strategic leadership and stakeholders’ involvement) constant at zero strategy implementation will be 26.048. The findings presented also shows that taking all other independent variables at zero, a unit increase in strategic planning will lead to a 0.361 increase in the scores of strategy implementation; a unit increase in resource allocation will lead to a 0.241 increase in strategy implementation; a unit increase in strategic leadership will lead to a 0.318 increase in the scores of strategy implementation; a unit increase in stakeholders’ involvement will lead to a 0.086 increase in the score of strategy implementation. This therefore implies that all the three variables have a positive relationship with top management commitment contributing most to the dependent variable.

### SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATION

#### 5.1 Introduction

The chapter provides the summary of the findings from chapter four, and it also gives the conclusions and recommendations of the study based on the objectives of the study. The chapter finally presents the limitations of the study and suggestions for further studies and research.

#### 5.2 Summary of the Findings

The objectives of this study were to examine the determinants of effective strategy implementation in the insurance in Kenya. The study was conducted on 72 out of 102 that constituted the sample size. To collect data the researcher used a structured questionnaire that was personally administered to the respondents. The questionnaire constituted 24 items. The respondents were the employees of AAR insurance Mombasa. In this study, data was analyzed using frequencies, mean scores, standard deviations, percentage, Correlation and Regression analysis.

From the study the results showed that the majority of respondents were male working in management having a working experience of between 6-9 years and holding bachelors’ degree. The study showed that the organization has a strategic plan. The correlation analysis showed that there was a positive correlation between the independent variables and dependent variable.
5.2.1 Strategic Planning
The study established that strategic planning is important in effective strategy implementation and nothing can go on effectively and efficiently in any state corporation without a good strategic plan. The planning horizon and anticipated time of implementation were causing problems and yet they were key indicators of effective implementation. (Awino, 2015) and (Judge & Robinson, 2014) observed that the planning horizons and the actualization of activities in many organizations were not well synchronized leading to fail or lagging implementation plans.

5.2.2 Resource Allocation
The opinion that adequate resource allocation is important in effective strategy implementation and without allocating adequate resources an organization cannot be successful in achieving its goals. These results corroborate (Pfeffer & Salancik, 2013) resource dependency theory argument that an organization is dependent on the environment for its resources and that those resources literally control the organization’s planning. The resources found to be unique in State Corporation included skilled and dedicated staff, ownership of excellent equipment, large membership and wide network, good support staff, community and stakeholder support and good management. A rare unique resource was the ability to raise or mobilize funds.

5.2.3 Strategic Leadership
Strategic leadership is important in effective strategy implementation and stakeholders’ involvement is important in effective strategy implementation. To ensure strategy is implemented as intended, senior executives must not spare any effort to persuade the employees of their ideas. The study further established that greater senior management involvement would provide better knowledge about organizational objectives and hence a plan that can accomplish them better. The findings of this study are in agreement with those of (Aaltonen & Ikavalko, 2015) that inappropriate organizational structure and lack of top management backing are the main inhibiting factors to effective strategy implementation. The results also confirm the role of middle managers as the key actors who have a pivotal role in strategic communication (Aaltonen & Ikavalko, 2015). As (Bartlett & Goshal, 2014) argues that findings confirmed that middle managers role needs to change more towards that of a “coach”, building capabilities, providing support and guidance through the encouragement of entrepreneurial attributes.

5.2.4 Stakeholders’ Involvement
The statement that nothing can go on effectively and efficiently in any state corporation without involving stakeholders had high ratings. The results corroborates what other scholars found out for example (Cummins & Doh, 2014), (Arasa, 2014) and (Pearce & Robison, 2014) who observed that stakeholders cannot be overlooked especially during the implementation stage of a strategy. This simply means stakeholders need to be consulted from the early stages of strategic plans. Traditionally, organizations have tended to overlook important stakeholders either through ignorance or sometimes with a purpose in order to avoid censorship. Theoretical thinking has it that stakeholders should be approached using a systems approach as observed by (Bertalanfy, 2015) and enhanced by among others (Hannagan, 2014), (Ruch-Ross, Mash, William, & Cartland, 2013) and (Tincher-Ladner, 2014) that individuals who cooperate and work towards the same goal and objective are more likely to achieve more than those who go it alone. In this study, it has been proved that State Corporations who approach the stakeholders in a systems approach will most likely succeed in their implementation of strategy. Stakeholders are therefore very important in the successful implementation of strategies at AAR insurance in Kenya.

5.3 Conclusion
From the research findings, the study concluded all the independent variables studied have significant influence on effective strategy implementation at AAR insurance as indicated by the strong coefficient of correlation and a p-value which is less than 0.05. The overall effect of the analyzed factors was very high as indicated by the coefficient of determination. The overall P-value of 0.00 which is less than 0.05 (5%) is an indication of relevance of the studied variables, significant at the calculated 95% level of significance. This implies that the studied independent variables namely strategic planning, resource allocation, strategic leadership and stakeholder’s involvement have significant influence on effective strategy implementation on AAR.

5.4 Recommendations
The study recommended that:

1. Insurance industry should develop strategic plans and implement them.
2. That insurance industry hires skilled employees in order to have the ability to implement strategic plans.
3. That insurance industry should allocate sufficient funds in order to implement strategic plans.

4. Those stakeholders should be involved in developing strategic plans that are implementable and achievable.

5.5 Suggestion for Further Studies

This study focused on the determinants of effective strategy implementation in the insurance industry. Since only 56.6% of results were explained by the independent variables in this study, it is recommended that a study be carried out on other factors that affect strategy implementation in the insurance industry. The research should also be done in government corporations and the results compared so as to ascertain whether there is consistency on determinants of strategy implementations in the insurance industry in Kenya.

REFERENCES


