FACTORS INFLUENCING PERFORMANCE OF INSURANCE FIRMS IN KENYA: A CASE OF SELECTED INSURANCE FIRMS IN UASIN GISHU COUNTY

KITALA CHEMUTAI JOYCE

A PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTERS IN BUSINESS ADMINISTRATION

(STRATEGIC MANAGEMENT OPTION)

KOITALEEL SAMOEI UNIVERSITY COLLEGE
(A CONSTITUENT COLLEGE OF THE UNIVERSITY OF NAIROBI)

2023

DECLARATION

This research report is my original work and has not been submitted to any other University or institution of higher learning for any academic award.

Signature.....

Date.....21/11/2023.....

Joyce Chemutai Kitala

Registration: D61/0013/2019

This research proposal has been submitted for examination with our approval as the University supervisors.

Signature.....

Date.....22/11/2023.....

Dr.Rael Mandago

Lecturer

Department of Business Administration and Management Science.

School of Business.

Koitaleel Samoei University College

(A constituent of the University of Nairobi)

Signature.....

Date.....21.11.2023...

Dr.Ismael Oduor

Lecturer

Department of Business Administration and Management Science.

School of Business.

Koitaleel Samoei University College

(A constituent of the University of Nairobi)

DEDICATION

This research proposal is dedicated to my late mother who sacrificed her finances to give me education and my children who allowed me time away to study.

ACKNOWLEDGEMENTS

I want to first thank my supervisors for their mentorship during my research proposal, their expertise enhanced my skills in preparing a scientific research. I gratefully acknowledge the teaching staff in the School of Business who taught me Masters in Business and Administration course work. The units such as Research Methods, Strategic Management and Human Resource that I learned from these Lecturers greatly contributed to my understanding of the factors that influence performance of insurance firms.

I wish to thank the College Librarian who guided me in using Library resources. Her research sessions helped me to successfully write the literature review in this study. I thank my classmates, whom we sat for hours in stimulating discussions trying to meet deadlines of submitting our work. Their assistance and commitments enabled me to successfully complete my assignments.

Last but not least, I wish to thank my husband who took care of our children and managed the household activities countless number of times while I was away in school. His unwavering backing contributed to the achievement of this research project. Finally I thank my father and brothers whose love, prayers, moral and financial support immensely empowered me come this far.

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ABBREVIATIONS AND ACRONYMS

AIG:	America International Group
AKI:	Association of Kenyan Insurers
CBK	Central Bank of Kenya
GDP:	Gross Domestic Product
IRA:	Insurance Regulatory Authority
KSUC	Koitaleel Samoei University College
KES:	Kenyan Shilling
KII	Kenya Insurance Industry
PWC	Price Water House Coopers
RBV:	Resource Based View
ROA:	Return on Assets
ROE:	Return on Equity
SPSS:	Statistical Package for Social Scientists
TOP:	Theory of Performance
UON	University of Nairobi

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ABSTRACT

Over the years, there has been little growth in the global penetration of insurance. For over 43 years of existence in Kenya the penetration of insurance has been modest due to a number of factors such as price, lack of understanding of insurance concepts, challenging claim processes, and the reliability of insurers. The objectives of this research were to determine the extent to which people's culture influence the performance of insurance firms, establish how staff turnover influence the performance of insurance firms, and assess how government regulations influence the performance of insurance firms in Uasin Gishu County, Kenya. The study was grounded on open system theory, Resource-based view theory, public interest theory and theory of performance. The study adopted descriptive and correlation research designs. The target population was 49 and census approach was adopted. A pilot investigation was done to test the dependability of the measuring tool. Quantitative data was examined using both descriptive an inferential statistics whereas qualitative data was examined in an interpretive manner using patterns, features and themes under study. The null hypothesis was rejected by F-test using p-value method at 0.05.In addition to descriptive statistical analysis, inferential statistical analysis was carried out using regression and correlation models to establish the effect of independent variables on the dependent variable. From the findings R was 0.829 indicating a significant relationship between the aspects that influence the insurance firm's performance .The R^2 value was 0.629, implying that 62.9% of the performance of insurance firms could be explained by people's culture, staff turnover and government regulations with the remaining 37.1% being variation due to other factors that have not been considered in this study. The correlation analysis findings showed a strong and significant correlation among all the independent variables and the insurance firm performance. The outcomes of the regression examination showed that there was statistical significant influence of people's culture, staff turnover and government regulations on the performance of insurance firms. The null hypotheses was rejected when the p-value of the F test was less than 0.05. The study recommends that insurance firms should involve religious leaders in product sensitization programs. The study also recommends enhancement of employee's terms of service and remuneration. The report additionally recommends the government to provide more tax incentives to motivate people to take insurance policies. Other prospective studies should concentrate on other facets of culture such as organizational culture and national culture. A related study could be conducted targeting wider geographical areas.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Insurance is necessary for every financial system in an economy to control institutional and individual risks. (Mallam Fali, 2020). Every nation relies heavily on insurance companies for protection against risks; they guarantee financial security, serve as a vital link in the financial intermediation process, and offer long-term finance for infrastructural projects. Risk management, job development, tax income collection for the government, and financial investment services are all significantly impacted by insurance. Every economy must make sure that insurance companies operate effectively and efficiently (Karunaratne, 2015). Investors in a firm, whether it is an insurance company or another type of business, anticipate a positive return on their capital (Kilel, 2015). For decades, researchers in other fields have been fascinated with organizational performance, but insurance industry has gotten little consideration.

According to a study done in Pakistan by Bakhtawar, Hamid, K., & Raza, A. (2021), there are various performance indicators, but profitability appears to be the most often employed. According to Kami et al. (2013), most firms strive for the type of performance that may provide the greatest profit because of the high competency requirements. Through different studies, numerous aspects have been established to impact the performance of insurance firms, they comprise; liquidity, age of the firm, firm size, affordability and awareness. Factors interrogated in this study were; people's culture, staff turnover, and government regulations. Hu (2018) claims that insurance performance varies throughout the world. In 2016, China had an insurance density of US$377 per person, while the global average was US$621 per person, almost twice as high. The average insurance depth worldwide was 6.1 percent, compared to 4.1 percent in China (Hu, 2018). Clearly, there is a big difference between China and the rest of the globe.

There has been a great deal of written material on the causes driving the expansion of insurance in China. The data was analyzed by the researchers using a number of techniques, including macro, medium, micro, and economic viewpoints. Researching

on the association between economic growth and insurance development, Lee et al. (2016), Rudra et al. (2017), and Anghelache (2019) found that the latter was associated with the financial stability of insurance businesses and the saving behaviors of the country's population. In the last ten years, the insurance sector in India has expanded tremendously, according to Acko Jul (2021). The development of cutting-edge products, improved government regulations, improved claim handling, and an expansion in the working class population all contributed to this boom and increased the financial bases of the insurance companies.

Life insurance market penetration is slower than general insurance market penetration in Africa, where insurance penetration has remained at a low rate of under 2 percent (World Bank report, 2015). According to McKinsey (2020), life insurance dominates South Africa's insurance business, making it the continent's leader with nearly 70% of the total market share. South Africa is followed by Morocco, Kenya, Egypt, and Nigeria. Concern over the expansion of general insurance in South Africa was voiced by McKinsey. Nigeria has a population advantage of nearly 200 million people, yet its insurance penetration rate is only 0.33 percent (Hafiz Usman, 2021). This low rate is a result of poor economic resilience, consumer mistrust, shortage of skilled workers, and ineffective government policies. According to the Association of Business Journalist's 2010 Annual Report, 3 percent of Malawians were insured.

The insurance industry in Kenya contributes significantly to the country's economic expansion and progress. According to CBK Report (2020), Kenya's insurance penetration is still growing at a slow rate of 2.4 percent, which is lower than the global average of 7.2 percent. Poor claim management by insurance companies and citizens' perceptions of insurance as a luxury have been blamed for the country's slow growth. As a result, people only purchase insurance when absolutely essential or to satisfy legal requirements. This suggests that additional investigation is required to bridge the knowledge
gap about the variables that affect the performance of insurance firms.

1.1.1 Firm Performance

According to Taouab and Issa (2019) between 1950s to end of 20th century performance in firms was equated to efficiency, which measured the suitability of organizations

meets its objectives under the constraints of time and resources. According to Bouranta and Psomas (2017), performance is merely an organization's ability to use its resources efficiently in order to achieve its goals. According to M Herciu (2020), business success can be characterized and assessed in terms of profitability, expansion, market value, total shareholder return, and economic value contributed. According to Msinga et al. (2018), businesses can perform better when they have plans for market expansion.

1.1.2 Concept of Insurance

According to WA Dinsdale (2020), insurance is a tool for transferring the insured's risks to an insurer who agrees to absorb the insured's losses to a certain extent in exchange for payment known as premium. A person or business gets monetary protection or payment against damages from an insurance firm under the terms of a contract, which is represented by a policy, in the insurance process. According to DS Hansel (2020), insurance is a social tool that offers monetary compensation for the effects of tragedy. Payments are made from the total contributions of all participants in a scheme.

1.1.3 Insurance Industry in Kenya

Since it insures 40% of the population, insurance is currently regarded as one of the most significant economic sector. The insurance Act of 2006 was amended to create the Insurance Regulatory Authority (IRA), an independent government agency whose primary responsibility is to control, monitor, and encourage the insurance industry's expansion.

In regard to life insurance in Africa, Kenya is ranked third with South Africa commanding the top spot with more than 70% of the market share. Raising Kenya's socioeconomic class will help to increase the country's insurance penetration numbers, which have long lagged behind the global average and are a sign of a sizable uninsured consumer base. Kenya has the third-lowest insurance growth rate in the world, at 2.4%.

1.1.4 Insurance Firms in Kenya

The main players in Kenya's insurance market are insurance companies, brokers, risk managers, reinsurance firms, and other service providers (AKI, 2010). There are 49 registered insurance companies in Kenya, according to the IRA Annual Report (2021). Insurance firms offer a variety of services to its customers, including underwriting, assessing the acceptability of risks, collecting premiums, and looking into potential claims (IRA 2010).

1.2 Statement of the Problem

According to the Financial Stability Report by the Central Bank of Kenya, insurance penetration in Kenya has remained low compared to other important economies, standing at 2.4 %(CBK, 2020). According to the Price Waterhouse Coopers Report (2021), practically every industry in Kenya is in a critical stage of development. Although the financial services sector is moving in a constructive and creative path that encourages growth and investment opportunities, Kenya has a relatively low insurance penetration rate. Market players must continuously assess their performance due to the increased uncertainty and competitiveness brought on by technological advancement. Particularly vulnerable to insolvency and possibly collapse are businesses that are under performing and suffering declining earnings. In order to acquire a competitive advantage, players must carefully evaluate the factors that influence performance. Nevertheless, the majority of businesses have not yet succeeded in achieving their targets, despite the development of numerous techniques (Odemba 2013).

The number of new participants entering the insurance market in Kenya is significantly growing with 49 registered insurance companies already having branches around the Country. This has altered the nature of business in this industry since firms now have a harder time gaining a competitive edge. This has led to numerous insurance companies suffering significant losses and looking for alternatives because they are not living up to shareholder expectations. This insurance include, among others, CIC Insurance, which released profit warnings in 2008, Standard Assurance, which was placed into receivership in 2009, and Invesco Assurance Company, which was placed under receivership in Sanlam (Mumo, 2017). This implied that industry is still struggling, which is a concern given its significance to the economy, hence the reason for this study.

Studies using empirical data have produced contradictory findings regarding a number of factors that influence the insurance company's performance. For instance, Jadi (2015) found that profits, liquidity, and size were significant determinants of the financial insurance firm performance in the United Kingdom. The investigation's primary emphasis on life insurance left out other types of insurance, this is the gap that exists. Eight Tunisian insurance businesses' profitability was examined by MS Derbali (2014) in relation to the effect of firm-specific features (leverage, size, tangibility, growth, risk, liquidity, and age). Leverage, tangibility, liquidity, and risk were found to have little effect on the performance of insurance businesses, making size, age, and growth the most significant firm-specific determinants. The study's emphasis on profitability creates a divide which the present study intends to close.

Grace Kolli conducted research on the features influencing the success of insurance companies in Kenya in 2017 and found that size, cash flow, liquidity, and organizational structure were the primary factors. The study's omission of external influences is where the gap exists. There is not enough literature because the aforementioned studies clearly show that the research findings are inconsistent. This study intents to close the information gap that exists by examining the factors that affect the performance of insurance companies in Uasin Gishu County

1.3 Main Objective

This research's main objective was to ascertain the variables that affect insurance companies' performance in Kenya's Uasin Gishu County.

1.3.1 Research Objectives

The research was guided by the following research objectives:

i. To determine the extent to which people's culture influence the performance of insurance firms in Uasin Gishu County, Kenya.
ii. To establish how staff turnover influence performance of insurance firms in Uasin Gishu County, Kenya.
iii. To assess how government regulation, influence the performance of insurance firms in Uasin Gishu County, Kenya.

1.3.2 Hypotheses

The study tested the following null hypotheses.

i. **H_{O1}:** There is no significant influence of People's culture on the performance of insurance Firms.

ii. **H_{02}:** There is no significant influence of staff turnover on the performance insurance Firms.

iii. **H_{03}**: There is no significant influence of Government Regulations on performance of Insurance Firms.

1.4 Value of the Study

This study will be of significance to future researchers, Insurance firms, Insurance Regulatory Authority, Kenyan Government and Uasin Gishu County**.**

1.4.1 Future Researchers.

Academics will build on the findings and analysis in this study to do more research in this area. The conclusions of this study will provide further information, which other researchers in this subject may use as a foundation for future research.

1.4.2 Insurance Firms

This study will offer fresh perspective on how to handle insurance problems that hinder performance in the insurance sector. With its fundamental ideas of the elements that affect the performance of insurance firms, it will also be used as a reference in strategic management and insurance industries. The results of this study will greatly benefit Kenya's insurance companies by enabling enhanced comprehension of the aspects influencing their growth. The development of marketing strategies, the customization of current regulations, the introduction of fresh regulations, and the implementation of measures to ensure staff retention, particularly for financial advisors, will all be guided by this document. A competitive edge will be gained by an insurance company that makes the most of the research's findings.

1.4.3 Insurance Regulatory Authority

In order to design policies that will support industry growth, IRA will be informed by the knowledge it gains about the performance bases of insurance firms. By doing so, IRA will better understand the unique factors that affect an insurance firm's success. Additionally, it will help the regulator simplify laws and guidelines for the operation of the insurance sector, eventually protecting policyholder interests and growing the sector as a whole. Through this study, IRA will learn how to effectively manage, oversee, govern, and regulate the insurance and reinsurance industry in Kenya. This study will be used to create and enforce standards of conduct for insurance and reinsurance companies and to grant licenses to those who work in the insurance industry.

1.4.4 Kenyan Government

The outcomes of this research will aid the government draft and adopt legislation pertaining to the insurance sector, which will strengthen the nation's economy by encouraging risk-taking and investment.

1.4.5 Uasin Gishu County.

It will keep the County Government of Uasin Gishu informed of the aspects that affect the consumption of insurance in the County and, as a result, will start raising community awareness, providing social protection for its residents by boosting their financial security and peace of mind.

1.5 Scope of the Study

The investigation was delimited to registered insurance firms in Uasin Gishu County, Kenya. The study concentrated on three factors; people’s culture, staff turnover, and government regulations that influence the insurance firm performance in Uasin Gishu County. A census of 49 target group was conducted by the research.

1.6 Limitations of the Study

The investigator encountered a numerous obstacles which may have prevented access of information. The branch managers and sales managers who were selected as respondents were extremely busy, and many of them were faced with the constraint of time to respond to the surveys due to their hectic schedules in the workplace. The

obstacle was solved by sending the questionnaires to the respondents in soft through emails and granting their request for a time frame to complete the questionnaires and send back in soft. The researcher was also faced with a challenge of respondent not having confidence in giving information as they feared victimization in case the information was shared publicly. The researcher overcame the challenge by assuring the respondent utmost confidentiality and informing them that they were not required to indicate their personal details in the questionnaire.

1.7 Definition of Significant Terms

Performance of Insurance Firms:	This a measure of how well an insurance firm succeed in managing its operations utilizing available resources.
Peoples Culture:	This describes a group of people's way of life, including its actions, attitudes, values, taboos, and symbols, which they often accept without question.
Staff Turnover:	This represents the entire workforce that leave the jobs within a given period of time. It covers voluntary and involuntary departures from the workforce due to termination or layoffs.
Government Regulation:	Government regulations serve as rules and directives that direct a group of people or a country.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section outlines empirical studies that are related to this study which provides a research gap for the current study. Additionally, it elaborates the theoretic review where it relates the relevant theories to ascertain the theoretic association. Schematic illustration of conceptual framework of variables under study are also outlined followed by gaps in knowledge.

2.2 Empirical Review

An empirical review explores past studies that holds some levels of significance to the study being conducted. The pertinent prior research that is correlated with the techniques employed in this study will be elaborated in this section empirical study. These studies will serve as references for developing the techniques and resolving the issues in this study.2.2.1 Performance of Insurance Firms

Performance in economics, management, and economics, as defined by Verboncu and Zalman (2005), as output that makes the organization profitable, competitive and efficient in its operations. According to Kami's (2013) research, firms have been seeking ways to gain a competitive edge over their rivals in the face of current threats. These efforts have included improving their financial performance, shareholder returns, and market performance. When a company develops or acquires a set of qualities that enable it to outperform its rivals, it achieves high performance (Wang, 2014). According to his study, Burns (1978), differentiating between transactional and transformational-based leadership competencies results in a competitive advantage in the market.

2.3 Factors Influencing Performance

Factors are inherent reasons, causes and aspects that impede the development of insurance firms. These factors are either internal or external to the insurance firm and include causes such as; affordability of the premiums, lack of understanding of the insurance concept, complicated claim procedure and insurers' trust worth and many others. Performance of insurance firms is important in determining capability of insurance firms and planning of future strategies in ensuring growth in the industry and gaining of competitive advantage. In this study factors that influence on performance

of insurance firms under investigation are; people's culture, staff turnover, and government regulations.

2.3.1 People's Culture and Performance of Insurance Firms

According to Thomas Johnson (2019), culture is defined by ideas, beliefs, attitudes, and typical or anticipated patterns of conduct. Additionally, describing other individual's traits, art, eating habits, customs, economic activities, music, language and their geographical localities. Culture is prevalent with communities that share common origin, beliefs, values and behaviors. Geert Hofstede (2017) defines culture as "the collective programming of the mind that differentiates members of one group from members of another" and asserts that knowledge is passed down through generations, changing throughout time as new information is added and then passed on. Since one's culture is the only one, or at the very least the first, it is common to presume that it is correct. According to Douglas & Wildarsky (1982), a people's distinct culture may influence the demand for life insurance to the degree that it influences the population's risk aversion. According to research done in Europe by Zelizer (1979), no agreement do religious people have on life insurance as they are opposed to it since time memorial. They argue that life insurance goes against the teachings and disrespects the Almighty this is because Gods protects gives and assures life. According to the study, life insurance was prohibited in Europe until the nineteenth century due to religious beliefs. The gap is that the study location of research was in Europe while the present investigation was done in Kenya.

With a focus on the state of Haryana, PA Shah (2019), conducted research to analyze cultural differences across Indian insurance businesses. Wallachia's OCL model, published in 1928, was used by the researcher to identify three distinct organizational cultures; innovative, supporting, and bureaucratic to assess which type predominates in certain organizations. The results showed that, in terms of the nature, gender, designation, and qualification of employees, the existing culture types inside the insurance businesses in Haryana differ greatly from employee perspective. The present research will emphasis on people's culture in Kenya, which is a unique environment.

By conducting a single cross-sectional study with 237 responses from 10 insurance firms in Rivers State, Nigeria, EN Osita (2021) looked into the association between

corporate culture and workers engagement. Based on the research, it was found that organizational culture affects employees' psychological wellbeing and can increase their level of engagement at work. The research concentrated on organizational culture, the present study will be done in Kenya with focus on the determining the extent to which people's culture affect the performance of insurance firms in Uasin Gishu County.Another study conducted in Nigeria by (Yesil, 2013) established that there was no correlation between any of the organizational culture aspects and the insurance companies' financial performance. The present research, which will be conducted in Kenya, will look at people's culture and the performance of Kenyan insurance companies.

JW Ndegwa (2016) conducted a study with a focus on establishing determinants of performance among small and medium sized insurance firms in Kenya. Three small and four medium-sized insurance enterprises with general insurance licenses were the study's target audience. The theories anchoring the study were the customer satisfaction and resource-based view theory. Organization culture, human capital and customer service revealed a strong correlative linkage with success of insurance firms. This present research, which is based on open system theory, public interest theory and theory performance, will look into people's culture as a factor affecting insurance performance in Kenya, specifically in Uasin Gishu County. Top management of selected insurance companies in Uasin Gishu County will be the target population.

In order to analyze the cultural influences on the adoption of insurance companies in Nairobi's central business area PN Gitau (2015) used a descriptive research methodology and stratified sample technique. His study concentrated on insurance customers in Nairobi's central business district, and he found that cultural taboos, beliefs, and religion all affected people's decision to buy insurance. This current investigation will utilize census sample and 98 senior officers from 49 registered insurance firms in Uasin Gishu County are the intended audience.

2.3.2 Staff Turnover and Performance of Insurance Firms

Employee turnover, according to Abassi et al. (1998), is the movement of workers around the labor market, between businesses, occupations and jobs, as well as between the stages of employment and unemployment. Research has linked employee turnover

to insurance company success in a number of studies. According to a study conducted in India by V.T Das and C. Vijayalakshmi (2015) utilizing a descriptive and exploratory research design on staff attrition and retention in life insurance, Indian insurance companies have trouble keeping talent due to a high attrition rate of 14%. According to the report, over 75% of enterprises had trouble keeping hold of high-performing employees, while 95% of businesses had trouble finding individuals with the necessary abilities. The previous study was done in India which is a different setup and it looked at staff attrition and retention specifically in life insurance. To fill the knowledge gap the current study will look at staff turnover as a factor influencing performance of insurance firms in Kenya, that is life, general and compost insurance.

A study was conducted by N. Peace (2018) on the effect of human resource management practices on employee retention and performance in Nigeria. He utilized Taro Yemen's formula to derive a 250 sample size from a target group of 785 people drawn from management and staff of a chosen insurance firm. A significant weaker association was found between employee retention and performance of the employees.The study concentrated on employee performance and retention techniques in Nigeria, which is a unique environment. Taro Yemen's formula was also utilized in the study to choose a sample of 250 participants while with 98 respondents chosen from a target population of 49 registered insurance companies, the current study will concentrate on the effect of staff turnover on the insurance firm performance in Uasin Gishu County to fill the knowledge gap.

In order to provide methods for reducing employee turnover, a local study on the examination of employee turnover and the adoption of contemporary retention tactics was carried out by Kinyanjui (2015). To choose the top 5 insurance companies in Kenya, the researcher employed a descriptive design, quantitative methodology and a multi-stage sampling procedure. Findings revealed that staff turnover rate in insurance companies was rather high; the present research aims to determine how staff turnover influence performance of insurance firms in Uasin Gishu County with a study population of 49 selected insurance firms chosen using census sample procedure.

Kinyanjui (2015) study was backed by another research by Kanakeh (2009) that focused on establishing how job turnover is influenced by perceptions of employees in insurance firms in Kenya. Survey research design and census sample procedure were

used on a study population of 45 insurance and re-insurance companies in Kenya. The findings showed that poor pay, a lack of job evaluations, job unhappiness, and a lack of desire are personal variables that affect job turnover. The research adopted survey research design on a population of 45 insurance companies and to close this gap the present research will employ descriptive research design to investigate a target population of 49 insurance companies to establish how staff turnover affects the performance of insurance firms in Uasin Gishu County.

2.3.3 Government Regulations and Performance of Insurance Firms

According to H Ellis (1990), the specifics of regulations governing insurance businesses may differ from nation to nation, but they often follow a similar pattern. In order to prevent unlicensed insurers from doing business, legislators establish a licensing system that regulates entry to the national insurance market. Special powers are also granted to the regulatory authority, enabling it to keep an eye on the trading operations of authorized insurers.

Sean (2015) looked into how government regulations affect the insurance business and found that all insurance companies are subject to government supervision. He draws attention to the stark contrast between the sanctions imposed on health insurance firms and those levied on AIG for offering credit insurance guarantees in the financial markets. The study established that Government regulations thereby increase the cost of doing business in the insurance sector by restricting the products and services that are offered to policyholders during the underwriting process. The focus of the study was government regulation impact on the insurance industry, but it ignored the sector's long-term viability. The study was conducted in Australia, a distinct environment, creating a contextual gap that the present study tries to close by examining how government regulations affect the insurance firm performance in Uasin Gishu in Kenya.

In a research by Y Hagedon-Hansen, (2019) on regulation changes in South Africa and their effect on the short term insurance environment, through descriptive and explanatory research design, it was found that regulatory reforms enhanced the insurance industry in South Africa. The study was conducted in South Africa, which has a distinct setup. The present study, which will be conducted in Kenya's Uasin Gishu County, aims to close the gap.

M. Kitaka (2019) found that there was a moderating influence of government on various aspects of the sustainability of insurance companies in Kenya. He conducted his research on government regulation and the sustainability of Kenya's insurance firms using a descriptive research design with a proportionate sample of 30 items from a study population of 51 insurance companies. The study focused on aspects of sustainability of insurance firms but the present study will look at effect of Government regulation on insurance firms' performance in Uasin Gishu County employing descriptive research and a census sample approach with a sample of 98 top managers from a target population of 49 insurance companies.

2.4 Theoretical Literature

This section discusses the theories behind the study. The open system theory that forms the basis of this investigation is complemented by the resource-based view theory, public interest theory and theory of performance.

2.4.1 Open System Theory

Open system theory provides theoretical anchorage to the study which was proposed by Ludwig Bertanlanffy in (1969). It asserts that organizations are significantly influenced by their environment, which is made up of other organizations that actively engage in various forms of economic, political, or social activity. The concept that organizations are greatly influenced by their environs is known as "open systems theory." The argument goes on to claim that other organizations that have economic, political, or social influence make up the environment (Betertlanffy, 1969). According to Bertanlanlaffy (1969), no organization can survive entirely on its own and must thus rely on outside forces.

The central thesis of this theory in this study is that insurance businesses will gain a competitive edge by having operations that are appropriately structured and coordinated with the external environment. This suggests that external factors are important predictors of insurance company performance and, as such, should be given top priority when developing the organization's objectives and plans. Insurance businesses should be prepared to anticipate the actions of other players in the insurance industry and to take the appropriate measures in reaction to developments in the external environment. According to the study's interpretation of the theory, an insurance company's

compliance with the external environment is one of the major factors influencing how well it performs in its sector. Open system theory has been applied in this study because of its pertinent to people's culture which is one of the variables being explored in this research. The critic of this theory is that within open systems thinking there is a strong tendency to think by analogy, which can create misconceptions, tends to be more abstract and errors as well as insights. It doesn't offer any concepts that apply to all types of organizations. The theory assumes that most of the organizations are big, complex and open systems. It, thus, fails to provide a unified theory.

2.4.2 Resource-Based View Theory

The Resource-Based View Theory (RBV), was propounded by Wernerfelt in 1984. The study describes that the organization competitiveness and long term performance is attributed to the extent to which they utilize their resources. According to the theory, an organization's ability to compete depends on how well it uses its resources. Due to its practical applicability to current management practices, it is recognized as the most renowned theories of strategic management. Resources that are valuable and rare can create a competitive advantage; claim Sharif and Yeoh (2014). According to this notion, an organization's ability to compete depends on how efficiently it manages its resources.

The resources are divided into three categories: physical, financial, and human. The study's theoretical implications suggest that the insurance company's resource availability has a significant impact on how well it operates. This theory has been selected because it supports staff turnover which is one of the independent variables in this study. The central thesis of this theory in this study is that insurance businesses will gain a competitive edge by putting in place policies that supports its employee's growth. This theory has been selected because it supports staff turnover which is one of the independent variables in this study.

According to Priem et al. (2001), RBV lacks dynamism due to a lack of attention to the generation of endogenous resources. Additionally, it involves paying insufficient attention to the processes involved in resource comparison and the development of long-lasting competitive advantages. Additionally, this theory disregards opportunities in the context of the SWOT framework and the environment (Fossils, 1999).

2.4.3 Public Interest Theory

According to Arthur Cecil Pigou's public interest theory, which was initially formulated in 2003 (Hantke-Domas, 2003), regulation is implemented in response to public demand for the rectification of unsatisfactory market behaviours. According to this theory, market regulations are essential to prevent vulnerability due to external risks and factors. According to Stigler (1971) and Posner (1974), regulation aims to safeguard and benefit the general public. The public interest approach contends that institutions should be regulated by governments in order to improve their efficiency by addressing market imperfections for the benefit of a broader civil society.

Two presumptions about the public interest thesis were identified by Posner (1974, quoted in Hantke-Domas 2003); first, markets will probably fail if left unregulated, and secondly, government regulation has no cost. According to Uche (2001), regulation is frequently provided in response to public demands for the correction of unfair or inefficient markets and company practices. According to the public interest argument, supervision or control is required since markets won't always work in the public interest if left to their own devices. Public interest theory is attributed to welfare economics. This is because it gives a higher preference to social welfare over regulation mechanisms. A comparative of the cost and benefit is done to check whether this balance is true. Government regulation is one way to achieve efficiency in resource allocation when a market breakdown is discovered (Arrow, 1970, 1985; Shubik, 1970). This theory is in favor of government regulation, one of the study's independent variables. The theory is criticized due to its inadequacy to address the gaps of regulatory framework. Furthermore, lacks the comprehensive explanation to provide the extent to which public interest is actualized or satisfied.

2.4.4 Theory of Performance

Elger's theory of performance (TOP), according to Monslave (2016) stated that development and levels of performance describes journey and location of the journey

respectively. Victor Turner (1988) and Richard Schechner's did stipulate that performance in the world regarding events, events and activities is guided by the code of performance. The ethnographic studies were fronted to provide in depth understanding of how performance was important in communities and societies. The theory gives individuals opportunity to identify their own place in the communities or social groupings.

The six components of the theory of Performance are perform, performer, performaer mind set, immersion, level of performance, and reflective practice. The theory is founded on the idea that when learning processes are used at the management level, better resource allocation and output quality occur. Performance may be dependent on an individual's or a group's cooperative efforts, (Caine, Caine, McClintic, and Klimek, 2005).

According to Wiske (1998), the theory of performance results in improvements in identity, motivation, knowledge, competence, and quality. This may also result in a drop in production costs. It recommends that via employee development such as training, seminars, advisory services, and other knowledge enhancement strategies, this element performance can be improved. Therefore, the notion of performance as the source of the performance of the company supports strategic human resource strategies through training, performance management, compensation and reward as well as recruiting and selection.

This theory has been adopted because it supports the performance of insurance firms which is the dependent variable in this investigation. Although some performativity art practices can be adapted to this theory, its main beliefs fall short of the goals, potential, and very particulars of participatory performance.

2.5 Conceptual Framework

A conceptual framework is an arrangement of concepts and theories that serves as a road map for the research and depicts relationship between independent and dependent variables under study (Mugenda & Mugenda, 2003).Conceptual framework outlines independent and dependent variables. The independent variable influences the performance of insurance firm and include; people's culture, staff turnover and Government regulation. The dependent variable is performance of insurance firms.

Independent variables **Dependent Variable**

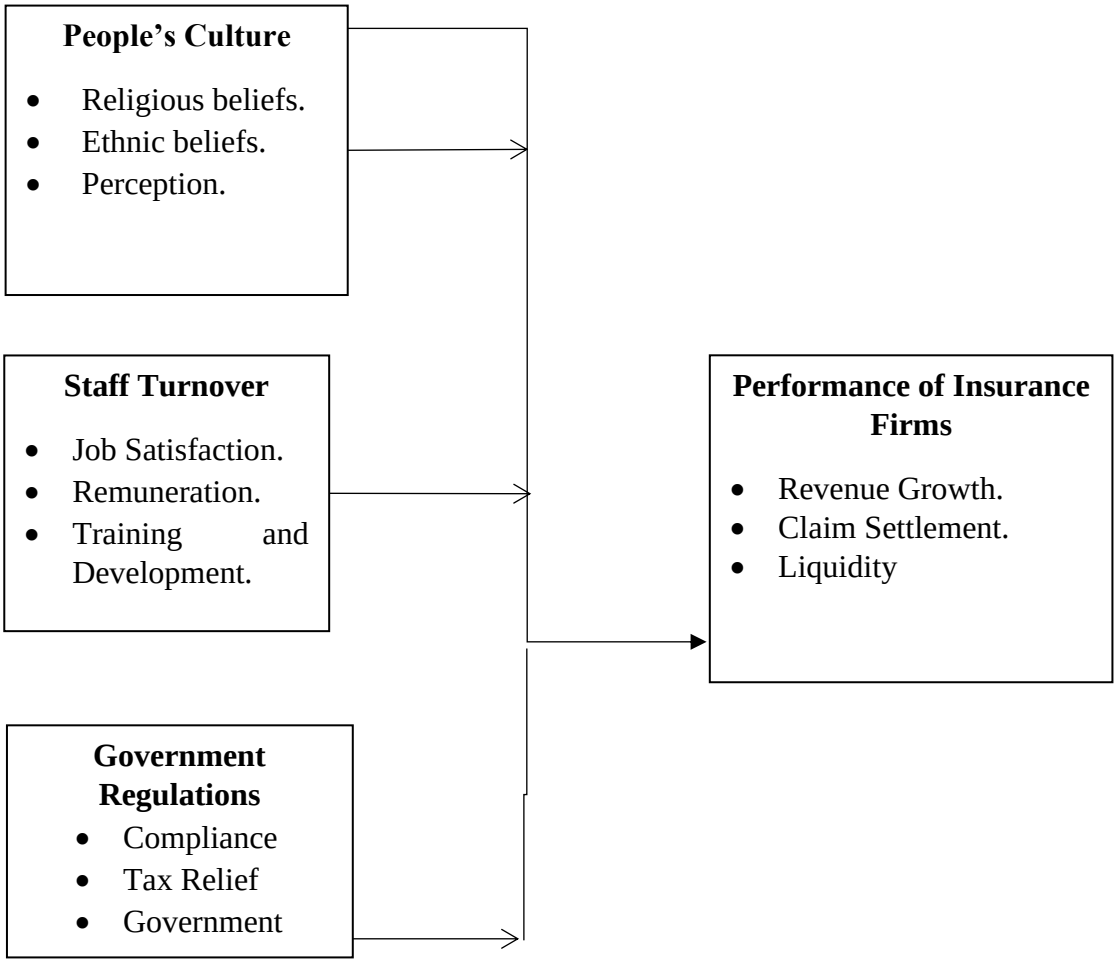


Figure 2.1 Conceptual Framework

2.6 Research Gap

Firms and individuals have discovered that insurance companies are essential to assuring their recovery when a certain risk has occurred. Kenya's insurance industry, however, is not performing as it ought to compared to the majority of wealthy countries and a few emerging countries. Although the available theoretical framework, such as open system theory, Resource-based view theory, public interest theory, and theory of performance, attempts to place a framework through which factors that enhance performance of insurance firms may be understood, the studies have not been entirely conclusive.

The majority of studies are carried out in industrialized nations, and those that are locally undertaken have mostly focused on one form of insurance. The aim of this study was to fill the current research gap by pinpointing the precise factors influencing the performance of insurance firms in Kenya.

Table 2.7 Research Gap

Author	Title	Findings	Research Gap
Zelizer (2017),	The development of life insurance in Europe	Religious people believe that having life insurance is a sign of lack of respect for God's protection.	This study was conducted in Europe, a developed state while the current study will be conducted in Kenya, a developing nation.
PA Shah (2019)	Analyzing cultural differences across Indian insurance businesses.	In terms of the nature, gender, designation, and qualification of employees, the existing culture types inside the insurance businesses in Haryana differ greatly from employee perspective, which is a unique environment.	The study was conducted to find out cultural differences across Indian insurance businesses while the current study will establish culture and performance of insurance firms in Uasin Gishu County ,Kenya wchich is a different setup

EN Osita (2021)	Relationship between corporate culture and employee engagement.	Organizational culture affects employees' psychological wellbeing and can increase their level of engagement at work	The study focused on organizational culture while the present study will focus on people's culture and its influence on the insurance firm's performance in Uasin Gishu County, Kenya
JW Ndegwa (2016)	The variables affecting the performance of the insurance market in Kenya.	There was a strong correlation between organizational culture, customer service, and human capital in insurance organizations and their success.	The study on focused on small and medium-sized insurance companies in Nairobi County while the present study will focus on all registered insurance firms in Uasin Gishu County.
PN Gitau (2015)	cultural influences on the adoption of insurance companies in Nairobi's central business area	Religion, cultural taboos, and beliefs had an impact on people's decision to purchase insurance.	Descriptive research methodology and stratified sample technique were used with focus on insurance clients in Nairobi's central business sector while the present study will employ descriptive research design and census sample procedure to investigate factors that influence performance of insurance.

N. Peace (2018)	The impact of human resource management practices on employee retention and performance in Nigeria.	There was both a weak and significant impact on employee retention as well as a positive and significant impact on employee performance.	Taro Yemen's formula was utilized to select a sample size of 250 respondents from a population of 785 people drawn from management and staff of a chosen insurance firm. The present study will utilize census approach to select all the 49 registered insurance firms in Uasin Gishu County.
Kinyanjui (2015).	Examination of employee turnover and the adoption of contemporary retention tactics	The staff turnover rate in insurance companies was rather high;	Top 5 insurance companies in Kenya was the sample size the researcher employed sampling procedure. The present study's target population is 49 registered insurance firms in Uasin Gishu using Census sample procedure.
Sean (2015)	How government regulations affect the insurance business.	Government regulations thereby increase the cost of doing business in the insurance sector by restricting the products and services that are offered to policyholders during the underwriting process.	The study focused on the impact of government regulation on the insurance sector, but it ignored the sector's long-term viability. The study was conducted in Australia, a distinct environment, creating a contextual gap. The present study focus on examining how government

			regulations affect the performance of insurance firms.
Y Hagedon-Hansen, (2019)	Regulation changes in South Africa and their impact on the short term insurance environment,	Regulatory reforms enhanced the insurance industry in South Africa.	The study was conducted in South Africa, which has a distinct setup, and the present study will be conducted in Kenya.
M. Kitaka (2019)	Government regulation and the sustainability of Kenya's insurance companies	There was a moderating effect of government on various aspects of the sustainability of insurance companies in Kenya.	Descriptive research design was used with a proportionate sample of 30 items from a study population of 51 insurance companies. The present study will employ descriptive research and a census sample approach with a sample of 98 top managers from a target population of 49 insurance companies in Uasin Gishu County

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section contains information about the methods utilized to carry out this study. it describes the design utilized by the study, selected target group, procedures of obtaining representatives from the entire target group, and procedures for collecting, analyzing and presenting data. Lastly, outlining considerations for ethics in the study.

3.2 Research Design

The term "research design" describes a particular step in the research process, such as data collecting, analysis, and report writing (Creswell, 2014).This research adopted descriptive research design which is described as a research technique that details the traits of the populace or topic under study (Devi, 2017); It also adopted correlation research designs which is a statistical test to determine the tendency or pattern for two or more variables according to (Creswell, 2012).Descriptive research design will be utilized in this investigation to demonstrate how all of the key components interact to address the issues that affect the performance of insurance firms. This research design was chosen because it enables easy data interpretation, meaningful data presentation, and clear definition of population characteristics. It also enables the researcher to combine qualitative and quantitative data collection techniques, leading to a general understanding of the research problem. Correlation research design was also adopted to correlate the independent variable with the dependent variable. This design was chosen because it determines the degree to which a relationship exist between two or more variables. The researcher selected the aforementioned designs because it is suitable for identifying the variables that affect insurance firms' performance. Thus, the focus of the study is to establish any form of association between research variables (Creswell, 2013).

3.3 Target Population

Creswell (2018) defines the target group as a small subset of the general population that has been narrowly defined to specifically include individuals who clearly demonstrate value and relevance to the research. 49 registered insurance firms was the study's target

population where 98 insurance branch managers and sales managers were selected as participants in the survey. Branch managers were chosen because they make decisions and supervise all company activities, whereas sales managers deal directly with prospects and customers.

3.4. Sampling Procedure

Kombo (2006) describes a sampling approach as the method used by the researcher to collect individuals, locations, or objects to be included in the study. Census sampling was used in this study to choose a sample of 98 participants.

Table 3.1 Target Population

Establishment	Target Population	Sample	Sample size
Branch Managers	49	49	49
Sales Manager	49	49	49
Total	98	98	98

3.5 Data Collection Instruments

A research instrument, according to Yin (2011), is a device for gathering data. When creating a research instrument, the researcher should take into account a number of factors, including validity, reliability, objectivity, and usability, according to Fraenkel and Wallen (2009). Questionnaires and interview schedule were utilized to gather both qualitative and quantitative data. A questionnaire, according to Arikunto (2006), is a collection of written questions used to gather data from respondents. Since closed-ended questionnaires are useful for producing statistics in quantitative research, they were employed in this study.

3.5.1 Questionnaires

Administered questionnaires were utilized to gather quantitative data (see appendix I); the questionnaire comprised the following three sections; the instrument's information was provided in Part one, which served as an introduction. The second section included broad details on the participants, Part three which entailed sought data on specific research questions on the following variables that influence performance of insurance firms in Uasin Gishu County; people's culture, staff turnover and Government regulations

3.5.2 Interview Schedule

Interview schedule was utilized to gather qualitative data (see appendix II); the interview schedule was divided into the following three sections; Part one which was the introduction, where the information about the instrument was explained. Part two, which contains general information about the respondents. Part three which entails sought data on specific research questions on the factors influencing performance of insurance firms while the third part sought specific information on the following factors that influence performance of insurance firms in Uasin Gishu County; people's culture, staff turnover and Government regulations

3.6 Pilot Testing

A pilot study, according to NK Lowe (2009), is a limited feasibility study created to examine several facets of the proposed methodologies. Prior to gathering data for this project, accurateness and consistency of the instruments were achieved through a pilot study. Connelly (2008) justifies the use of 10% of study population to represent sample size of the pilot study. To ensure the validity of the questionnaire and to make any required corrections before distributing the questionnaires to the target audience, the researcher administered 10 questionnaires to the pilot test respondents from the insurance firms in Uasin Gishu County who were not part of the targeted sample. Half split method was undertaken by first numbering the ten questionnaires from 1-10.The odd numbered questionnaires formed the first set while the second set consisted of even numbered.

3.6.1 Validity of Research Instruments

Robinson (2011) state that instruments completeness, accuracy and precision to answer questions posed represents validity of research instruments. Validity is significant since it influences the type of survey questions to be used and helps to ensure that the researcher is using questions that accurately reflect the important topics. To ensure validity, the researcher created the questions and distributed questionnaire. In this study, the supervisor's advice was sought to certify that the instrument was adequate for achieving the research purpose. The researcher made sure the tool distinguished and aided in the prediction of current variables. Predictive validity ensured that the measures were able to discriminate between people in a way that aided in the prediction of future criteria.

The researcher depended on expert opinion from the supervisor and other social science experts to establish criterion validity. From the responses generated through the pre-testing exercise, corrections were made on the instrument with the help of the supervisor in order to make it adequate for the main research. The piloting of the instrument ensured that the wordings of the items in the questionnaire were clearer and the questions asked measured the variables as it was intended.

3.6.2 Reliability of Research Instruments

Gay (2012), defines reliability as the extent to which a test accurately assesses the target variable. The research instrument used in a study must be trustworthy and consistent in order to yield data that are stable and consistent. The instrument is regarded as dependable if the alpha value is 70% or higher. In this research, the investigator used the Cronbach's Alpha Reliability Coefficient test to determine the study's reliability. This test was used since it is reliable and highly useful for multi-item scales at the measurement interval level. The Cronbach's alpha reliability coefficient, which is typically expressed on a scale of 0 to 1, was used to measure the internal consistency. The closer the coefficient is to 1.0, the more related the items are to the instrument and consequently, the more stable the instrument is .The closer the instrument is to 0.0, the less consistent the instrument is. In this study the researcher had 98 items that were considered in the Cronbach's alpha reliability coefficient. The results from a sample of 10 from pilot study was analyzed and Cronbach's alpha reliability coefficient for people’s culture was 0.812, staff turnover was 0.815, government regulation was 0.774

and coefficient for performance of insurance firms was 0.822 (see Appendix 8).According to Nunnually and Bernstein (1994) a coefficient of more than 0.9, is considered exceptional, more than 0.8 is good, more than 0.7 is acceptable more than 0.6 is questionable, more than 0.5 is poor and less than 0.5 is unacceptable. All study instrument's indicators scored above 0.7 threshold on the Cronbach's Alpha Reliability Coefficient test, indicating that it was acceptable.

According to Sakaran and Bougie (2010) the stability of data collection instrument is established through test-retest reliability criterion in which the questionnaire is administered a second time after the initial data exercise has been undertaken in order to determine its consistency. The test retest analysis gave a composite Pearson's Product Moment Correlation Coefficient of 0.861.The result was higher than the 0.844 threshold and therefore confirms that the research instrument was consistent and therefore could be relied upon for analysis of the data collected.

3.7 Methods of Data Analysis and Presentation

According to Kothari (2004) data analysis is the process of organizing, manipulating and considering of the meaning of data collected. Quantitative and qualitative data analysis methods were adopted in this research. Descriptive data was analyzed using percentages, mean scores and standard deviation. Inferential data was also analyzed using Pearson's moment correlation and regression analysis.

3.7.1 Analysis of Quantitative Data

Analysis of quantitative data involves gathering numeric data from measurements using descriptive and inferential statistics. Lind, Marshal and Wathan (2008) describes descriptive analysis as the methods of ensuring that data are well presented, organized and brings a clear understanding to the user while inferential analysis as a means of giving meaning to the concepts, aims and claims fronted by the study. The questionnaire items were assigned responses intended to measure every indicator in which responses typically of a five Likert scale pointer where; 1=strongly agree, 2=agree, 3 neutral, 2=disagree, 1=strongly disagree. Based on summation of all possible responses it was easy to convert scores recorded for all items into numeric data, calculated and presented statistically. Descriptive statistics was presented as mean scores and standard deviations

for every indicator of variables in each objective while inferential statistical analysis involved the use of correlation and regression analysis.

Pearson Product Moment Correlation was applied in measuring the degree and direction of the independent variable's influence on the dependent variable while the direction and dependence were established using a multiple linear regression model

The following was the presentation of the analysis model:

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

Where; Y=indicators of performance of insurance firms (Dependent Variable)

$\beta,_1\beta,_{2,}\beta_3$=Beta Coefficient or the y-intercept,

X_1=Peoples Culture

X_2=Staff turnover

X_3=Government Regulation

ε=error term

3.7.2 Analysis of Qualitative Data

Qualitative data was gathered and evaluated in an explanatory, objective and comprehensive manner by finding features from variables in the research with the aim of understanding different perspectives and manifestations of factors influencing of insurance firm’s performance in Uasin Gishu County. Data was analyzed and presented in narratives mainly in the form of direct quotes, to confirm or not to confirm data gathered quantitatively, theories and hypothesis already stated in the research. The narrative report developed from this analysis was contextual in nature from respondents in line with each of the study objectives.

3.8 Ethical Consideration

In this study, adherence to the accepted practices utilized in professional research was noted. A permit from NACOSTI was obtained to conduct the inquiry following the approval of the research proposal. A letter presenting the researcher to the chosen insurance firms was obtained from KSUC a Constituent College of UoN. Following the acquisition of the permit, research assistants were chosen and provided instructions on how to conduct the questionnaire-based data collection.

The researcher formally asked the organization where the research would be done for authorization. The respondents were being contacted by appointment and to protect the confidentiality of the respondents' answers, each was questioned separately and in private. The participants were given the maximum assurance of confidentiality in the treatment of their comments by demonstrating that privacy and anonymity would be preserved. The respondents were handled respectfully, and information was obtained from them without disrupting their working environment or endangering their bodily or mental health. The information collected was treated with the strictest secrecy and was never made public. The information acquired was solely utilized for research, not for personal gain or any other kind of gain. The respondents were thanked for agreeing to participate in the study.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSIONS

4.1 Introduction

The study results are presented in this chapter and are discussed in accordance with the study objective's topics and sub-themes. The thematic areas include; performance of insurance firms, people's culture, staff turnover and Government regulations.

4.2 Response Rate

The questionnaire return rate is a comparison between valid responses with entire sampled respondents. A higher response rate is correlated with a higher sampling fraction and, consequently, a better sample representation, according to the relationship between response rate and sampling fraction; it is a comparison between those that were targeted compared to those that positively consented to the study. Sampling error and data inadequacy is minimized with higher response of the study instruments. The study's population consisted of 98 insurance firm's branch and sales managers. The degree to which the desired sample size was attained was determined by the response rate. However, completed questionnaires were obtained from 90 respondents, this represented 91.8% response rate. The high response rate was achieved since the investigator issued the surveys through the respondent's emails to counter the challenge of not finding them due to their busy schedule. The following formula was used to determine the response rate displayed in Table 4.1

Response Rate = (Completed and reverted questionnaires/Distributed questionnaires) x 100

Table 4.1 Response Rate

Response Rate	**Frequency**	**Percentage**
Responded	90	91.8%
Not responded	8	8.2%
Total	**98**	**100%**

Table 4.1 illustrates the distribution of rate of response to questionnaires for branch managers and sales managers as follows; responded was 90(91.8%) and not responded was 8(8.2%). The questionnaire that was distributed had an average response rate of 91.8%.The response rate achieved in the study in the selected insurance firms in Uasin Gishu County is close to what Wachira (2013) got while studying key factors in Kenya's insurance industry in which he recorded 87% response rate.

A response rate of 50% was considered adequate, and a rate of more than 60% was considered remarkable, according to Mugenda & Mugenda (2003). The response rate attained in this research was exceptional. According to Rogelberg and Stanton (2007), a 50% response rate is anticipated in cross-sectional investigations of survey design carried out at the individual level. Ibid (2007) argues that response rate of 35 to 40% is appropriate for research conducted at the organizational level. This research's response rate was suitable for evaluating the study's goals and reaching conclusions..

4.3 General Information about Respondents

Information concerning branch and sales managers of insurance firms under study was analyzed with respect to their gender, education level, firm's positions and years of experience in the insurance firm. The general information was necessary in understanding how this factors influence firm capacity of staff of the insurance firm and by extension, performance of insurance firm.

4.3.1 Distribution of the different types of insurance firms

The categories of insurance companies are shown in Table 4.2

Table 4.2 Distribution of the different types of insurance firms

Response Rate	Frequency	Percentage
Life Insurance	16	17.8
General	24	26.6
Composite	50	55.6
Total	**90**	**100%**

The data presented in Figure 4.1 confirm that the participants were selected from three distinct categories of insurance firms. Majority 55.6% from composite insurance firms, 26.6% general insurance firms and 17.8% life insurance firms.

4.3.2 Distribution of the Respondents by Gender

Data on gender of respondents was sought. This was done to ascertain the normality of distribution of respondents between two genders because in this study, selection of branch managers and sales managers was randomly undertaken with no preference or bias to any gender. Understanding gender distribution of respondents was important in finding out gender balance.

Table 4.3 Distribution of Respondents by Gender

Gender	Frequency	Percentage
Female	49	54.4
Male	41	45.6
Total	**90**	**100%**

Results indicated that out of 90 respondents consented to the study, male were 45.6% while female were 54.4%. The distribution indicates that there were more female than male respondents. Indicating gender distribution insurance in firms was skewed.

4.3.3 Distribution of the Respondents by Age Group

The age questions were posed to the respondents. This information was important since tasks for insurance companies require skills and energy. Availability of skilled labour depends on optimal age of an individual employee and therefore favors those in agile age group. Table 4.4 presents age distribution.

Table 4.4 Distribution of the Respondents by Age Group

Age (Years)	Frequency	Percentage
Below 30	25	27.8
31-40	29	32.2
41-50	30	33.3
Over 51	6	6.7
Total	**90**	**100%**

Results indicate that from the 90 respondents consented, 25 were below 30years, 29 were between 31-40 years, 30 were between 41-50 years, and 3 were above 50 years. The results show that majority of staff in the insurance firms under study are in the physical active age bracket of 18-50 years fit for challenging tasks. The respondents between the ages of 41 and 50 had the greatest response rate, which suggests that the majority of employees in this age group have been with the firm for a long time and may not leave because they fear losing their benefits.

4.3.4 Distribution of the Respondents by Highest Level of Education

Respondents were asked to outline their highest achievement in level of education. This information was important to the study because knowledge acquired through education is critical in enhancing performance of insurance firms. They were asked to indicate the highest level of education in the following categories; diploma and degree. The response on the distribution of respondents by their level of education is shown in Table 4.5.

Table 4.5 Distribution of the Respondents by Highest Level of Education

Level of Education	Frequency	Percentage
Diploma	22	24.4
Degree and above	68	75.6
Total	**90**	**100%**

The results indicated that 22 had diploma while 68 had degree and above. The respondents thus had solid understanding of the issues raised in the questionnaires and were expected to provide unbiased responses. This observation concurs with findings by Gitari, Mbabaz and Jaya (2016) who established that employees with higher education level provide consistent support to performance.

4.3.5 Distribution of the Respondents by Years of Experience in Insurance

The study also sought to determine the number of years respondents had worked in the insurance firm. This information was important because years of experience in the insurance firm have a relationship with response on the factors that influence performance of insurance firms in Uasin Gishu County. The response by years of experience in insurance firm is presented in Table 4.6

Table 4.6 Distribution of the Respondents by Years of Experience in Insurance

Work Experience (Years)	Frequency	Percentage
Less than 5	23	25.5
6-10	35	38.9
Over 11	32	35.6
Total	**90**	**100%**

The results indicated that 25.5% of the 90 respondents who took part in the research had less than 5 years in the insurance firm, 38.9% have worked for between 6years and 10years, while 35.6% have worked for more than 11 years. The findings indicate that the majority of survey participants had sufficient experience working in the insurance sector to comprehend the factors that influence performance of the insurance firms hence were expected to give objective response on the questionnaire presented. This observation is in agreement with Khakheili and Zamani (2008) who established that years of experience leads to improved performance.

4.3.6 Distribution of the Respondents by Position in the Insurance Firm

The study had targeted the senior staff of the insurance firms in the cadre of branch managers and sales managers. Table 4.7 presents senior personnel of the insurance companies involved in the study.

Table 4.7 Distribution of the Respondent by Position in the Insurance Firm

Position	Frequency	Percentage
Top Managers	18	20.0
Regional Managers	27	30.0
Sectional Managers	45	50.0
Total	**90**	**100%**

The actual respondents were branch managers and sales managers of the insurance firms. The findings confirm that the research objective was achieved since all the respondents were senior staff members with a solid understanding of the issues that needed to be addressed and were anticipated to give unbiased answers.

4.4 Descriptive Analysis

The descriptive statistics used in summarizing the data included mean scores and standard deviation. The mean scores and standard deviation were used to describe the data because it was collected using Likert scale values. The study variables in this study were the performance of insurance firms (dependent variable) and people's culture, staff turnover and government regulation (independent variables).To identify the data obtained for each of the variables, mean scores, and standard deviation were used to define the variables.In this section the dependent and independent variables are discussed.

4.4.1 People's Culture and Performance of Insurance Firms

Influence of people's culture on the performance of insurance firms in Uasin Gishu County was presented, analyzed and discussed. Indicators of people's culture were religious beliefs, ethnic beliefs, and perception. People's Culture and Performance of

Insurance firms was tested using 15 items. The items sought to establish the extent to which people's culture influenced the performance of insurance firms in Uasin Gishu County. The items on people's culture findings were shown in Table 4.11

Table 4.8: People's Culture and Performance of Insurance Firms

Items	N	Mean	Std. Deviation
8a1 Some religious people belief that their supreme being protects them from risks	90	4.19	.701
8a2 Some religious people belief loses occur to those divert from the principles of their religion.	90	3.63	1.231
8a3 Some religious people belief that it is a sin to think and plan about future occurrence	90	3.84	1.131
8a4 Some religious people are against insurance that pay interest	90	3.76	1.031
8a5 Some religions do not believe in seeking medical attention hence ignore medical cover	90	3.71	1.300
Composite Score for Religious Beliefs		**3.83**	**1.079**
8b1 Some members of the society feel that they are "good people" and that risk and losses only happen to "cursed people".	90	3.30	1.426
8b2Some people belief taking up an insurance cover is a way of attracting bad omen	90	3.70	1.126
8b3 Some communities belief it's a taboo to prepare for the worst	90	3.91	1.098
8b4 Some communities believe that insurance is related to witchcraft	90	3.37	1.441
8b5 The community always help in case of a loss	90	4.01	1.096
Composite Score for Ethnic Beliefs		**3.66**	**1.227**
8c1 Some members of the society feel that paying for insurance is as good as throwing money away.	90	3.93	1.089
8c2 Some members of the society feel that they have nothing to lose and hence no need to insure.	90	3.53	1.309
8c3 Some people belief insurers are untrustworthy	90	3.78	.969
8c4 Some people belief that insurance is meant for the rich.	90	3.79	1.133
8c5 Some prospects have no trust in insurance firms.	90	3.76	1.020
Composite Score for Perception	90	**3.76**	**1.104**
Composite Score for people's culture		**3.75**	**1.137**

Table 4.11 indicated that 90 respondents who participated in the research responded to the items on people's culture and performance of insurance firms. Item 8a1 sought to establish whether some religious people believed that their supreme being protects them from risks and the response had a mean of 4.19 and Std Dev. of 0.701.This implied that

respondents agreed that some religious people believed that their supreme being protects them from risks. Item 8a2 sought to establish whether some religious people believed loses occur to those who divert from the principles of their religion and the response had a mean of 3.63 with Std Dev of 1.231.Therefore the respondents agreed that some religious people believed loses occurred to those divert from the principles of their religion. Item 8a3 sought to establish whether some religious people believed that it was a sin to think and plan about future occurrence and the response had a mean of 3.84 with Std Dev of 1.131.This implied that respondents agreed that some religious people believed that it was a sin to think and plan about future occurrence. Item 8a4 sought to establish whether some religious people were against insurance that paid interest and the response had a mean of 3.76 with a Std Dev of 1.031 .This implied that respondents agreed that some religious people were against insurance that paid interest. Item 8a5 sought to establish whether some religions did not believe in seeking medical attention hence ignore medical cover and the mean was 3.71 with Std Dev of 1.300 .This implied that respondents agreed that some religions did not believe in seeking medical attention hence ignore medical cover. The composite of religious beliefs had a mean of 3.83with Std Dev of 1.079.Therefore the respondents agreed that religious beliefs influenced performance of insurance firms.

Item 8b1 sought to establish whether some members of the society felt that they were "good people" and that risk and losses only happen to "cursed people"and the response had a mean of 3.30 and Std Dev of 1.426. Findings denote that the respondents were not sure whether or not some members of the society felt that they were "good people" and that risks and losses only happen to "cursed people". Item 8b2 sought to establish whether taking up an insurance cover was a way of attracting bad omen and the response had a mean of 3.70 with Std Dev of 1.126.This implied that respondents agreed that some people belief that taking up an insurance cover was a way of attracting bad omen. Item 8b3 sought to establish whether some communities believed it was a taboo to prepare for the worst and the response had a mean of 3.91 with Std Dev of 1.098. Respondents agreeing that with some communities believed it was a taboo to prepare for the worst. Item 8b4 sought whether some communities believed that insurance was related to witchcraft and the response had a mean of 3.37 with a Std Dev of 1.441 .This reflects agreement with respondents stating that some communities

believe that insurance is related to witchcraft. Item 8b5 sought to establish whether the community always helped in case of a loss and the mean was 4.01 with Std Dev of 1.096. This means respondents agreeing on the belief that the community always helped in case of a loss. The composite of ethnic beliefs had a mean of 3.66 with Std Dev of 1.227.Therefore the respondents agreed that ethnic beliefs influenced performance of insurance firms.

Item 8c1 sought to establish whether some members of the society felt that paying for insurance was as good as throwing money away and the response had a mean of 3.93 and Std Dev. Of 1.089.This denotes agreement by some of the respondents stating that some members of the society felt that paying for insurance was as good as throwing money away. Item 8c2 sought to establish whether some members of the society felt that they had nothing to lose and hence no need to insure and the response had a mean of 3.53 with Std Dev of 1.309.Therefore there was agreement among the respondents that some members of the society felt that they had none value of items that requires to be insured. Item 8c3 sought to establish whether some people belief insurers were untrustworthy and the response had a mean of 3.78 with Std Dev of 0.969.This implied agreement with the respondents that some people believed insurers were untrustworthy. Item 8c4 sought whether some people believed that insurance was meant for the rich and the response had a mean of 3.79 with a Std Dev of 1.133 .This implied that respondents agreed that some people believed that insurance was meant for the rich. Item 8c5 sought to establish whether some prospects had no trust in insurance firms and the mean was 3.76 with Std Dev of 1.020 .This implied respondents agreeing that some prospects had no trust in insurance firms. The composite of perception had a mean of 3.76 with Std Dev of 1.104.Therefore the respondents agreed that perception influenced performance of insurance firms.

The view that people's culture influence performance of insurance firms was also confirmed by interviews when one sales manager said that;

"…. it's tricky to sell some products like the last expense policy because most people in this community do not believe in planning for negative future occurrence"….

One branch manager also pointed out that;

" …. Even though most individuals are educated, they tend to adhere to their religious beliefs and ethic beliefs and taboos, which prevents them from purchasing insurance coverage. Consequently, affecting the performance of the insurance industry. …."

The findings were further supported by the observation made by the researcher when a client walked in to the office of the branch manager to demand that his policy be terminated since he had realized that the product was attracting interest which was against the doctrines of his religion.

These findings are consistent with a study what PN Gitau (2015) found out in his study on conducted in Nairobi CBD to assess how cultural factors influence insurance uptake. The findings revealed reasons to buy insurance is influenced by beliefs, taboos and cultural factors. The findings contrast with another study conducted in Nigeria by (Yesil, 2013) where he established that there was no correlation between any of the organizational culture aspects and the financial performance of insurance firms.

Hypothesis Testing 1

Hypothesis testing 1 was tested at 95% confidence level given that $p<0.05$, the null hypothesis was rejected and it was concluded that peoples culture has a significant influence on performance of insurance firms. This finding shows that the people's culture has influence on the performance of insurance firms in Uasin Gishu County.

Discussions

In reference to the findings analyzed descriptively, respondents with a higher frequency agreed that people's decisions to purchase insurance coverage may be influenced by their religious beliefs. There was majority agreement by the respondents that some ethnic beliefs may affect decision in insurance consumption. The vast majority of respondents concurred that they were aware that some members of the community belief it is a taboo to prepare for the worst. A higher frequency of respondents concurred that people's perceptions affected their decision to purchase insurance policies. These findings were also supported by results obtained in interview schedule.

Correlation analysis also established that people's culture has a strong positive influence on performance of insurance firms. Regression analysis indicated that 49.5 per cent in performance of insurance firms was explained by people's culture. Thus

hypothesis 1 was tested at 95% confidence interval given that $p < 0.05$ the null hypothesis was rejected and it was concluded that people's culture has a significant influence on performance of insurance firm.

These results are consistent with Yaari's (2009) study on culture and insurance adoption, which found that religion historically has provided significant resistance to insurance, particularly life insurance. Many religious people hold the view that dependence on life insurance results from mistrust of God's providing protection. .The findings also concur with P Gitau (2017) whose study on assessment of cultural factors affecting uptake of insurance- a survey of the Nairobi city central business district which concluded that uptake of insurance products is hindered by cultural beliefs and taboos.

4.4.2 Staff Turnover and Performance of Insurance Firms

In this section the influence of staff turnover on performance of insurance firms in Uasin Gishu County was presented, analyzed and discussed. Indicators of staff turnover were job satisfaction, remuneration and training and development. Staff turnover and performance of Insurance firms was tested using 15 items. The items sought to establish how staff turnover influence performance of insurance firms in Uasin Gishu County. The items on staff turnover were shown in Table 4.14

Table 4.9: Staff Turnover and Performance of Insurance Firms

Items	N	Mean	Std. Deviation

9a1 Management seeks to customize jobs to fit the employees' talents.	90	2.66	.926
9a2 Management seeks to develop their employees before placing them at their respective work stations.	90	2.43	.937
9a3 Management seeks to constantly connect with employees after deployment	90	2.50	1.019
9a4 Roles and responsibilities are well defined	90	2.22	.933
9a5 Employees are placed according to their area of specialization	90	2.14	1.087
Composite Score for Job Satisfaction		**2.39**	**0.980**
9b1 Employees' salaries are commensurate to tasks assigned.	90	2.04	.833
9b2 Employees are paid according to their education levels	90	2.02	.960
9b3 Appraisal are undertaken to determine individual performance	90	2.52	1.300
9b4 Reward style is used to motivate employees who perform well	90	2.24	1.266
9b5 There is proper channel for employees to channel their grievances	90	1.96	.911
Composite Score for Remuneration		**2.16**	**1.054**
9c1 All staff attend trainings and workshops	90	2.08	.838
9c2 Employee training and workshops benefit the company	90	2.90	1.438
9c3 Trained employees perform their duties more effectively than the untrained employees	90	2.96	1.208
9c4 The company encourages innovation among employees	90	2.11	.941
9c5 The company creates good environment for employees work and skills	90	2.08	1.008
Composite score for Training and Development	90	**2.32**	**1.087**
Composite Score for staff turnover		2.29	1.04

Table 4.11 indicates that 90 respondents who participated in the research responded to the items on staff turnover and performance of insurance firms. Item 9a1 sought to establish whether Management sought to customize jobs to fit the employees' talents and the response had a mean of 2.66 and Std Dev of 0.926.This implied the respondents were not sure whether or not management sought to customize jobs to fit the employees' talents. Item 9a2 sought to establish whether Management seeks to develop their employees before placing them at their respective work stations and the response had a mean of 2.43 with Std Dev of 0.937.This shows disagreement among respondents that management sought to develop their employees before placing them at their respective work stations. Item 9a3 sought to establish management seeks to constantly connect with employees after deployment and the response had a mean of 2.50 with Std Dev of 1.019.This implied that respondents disagreed that management sought to constantly connect with employees after deployment. Item 9a4 sought whether roles

and responsibilities are well defined and the response had a mean of 2.22 with a Std Dev of 0.933. This shows that the respondents showed disagreed that roles and responsibilities were well defined. Item 9a5 sought to establish whether employees are placed according to their area of specialization and the mean was 2.14 with Std Dev of 1.087 .This shows that the respondents disagreed that employees were placed according to their area of specialization. The composite of job satisfaction had a mean of 2.39 with Std Dev of 0.980.Therefore the respondents disagreed that there was job satisfaction in the insurance firms.

Item 9b1 sought to establish whether employees' salaries were commensurate to tasks assigned and the response had a mean of 2.04 and Std Dev of 0.833.This shows that the respondents disagreed that employees' salaries were commensurate to tasks assigned. Item 9b2 sought to establish whether employees are paid according to their education levels and the response had a mean of 2.02 with Std Dev of 0.960.This shows that the respondents disagreed that employees were paid according to their education levels. Item 9b3 sought to establish that appraisal are undertaken to determine individual performance and the response had a mean of 2.52 with Std Dev of 1.300.This shows that the respondents disagreed that appraisal were undertaken to determine individual performance. Item 9b4 sought to establish whether reward style is used to motivate employees who perform well and the response had a mean of 2.24 with a Std Dev of 1.266.This shows that the respondents disagreed that reward style was used to motivate employees who performed well. Item 9b5 sought to establish whether there is proper channel for employees to air their grievances and the mean was 1.96 with Std Dev of 0.911 .This shows that the respondents disagreed that there was proper channel for employees to channel their grievances. The composite of remuneration had a mean of 2.16 with Std Dev of 1. 054. Therefore the respondents disagreed that there was good remuneration in the insurance firms.

Item 9c1 sought to establish whether all staff attend training and workshops and the response had a mean of 2.08 and Std Dev of 0.838.This implied disagreement among the respondnets that all staff attended training and workshops. Item 9c2 sought to establish whether employee training and workshops benefit the company and the response had a mean of 2.90 with Std Dev of 1.438.This shows that the respondents disagreed that employee training and workshops benefited the company. Item 9c3

sought to establish whether trained employees performed their duties more effectively than the untrained employees and the response had a mean of 2.96 with Std Dev of 1.208. This implied that respondents disagreed that trained employees perform their duties more effectively than the untrained employees. Item 9c4 sought whether the Company encourages innovation among employees and the response had a mean of 2.11 with a Std Dev of 0.941. Respondents disagreed that the company encourages innovation among employees. Item 9c5 sought to establish whether the Company creates good environment for employees work and skills and the mean was 2.08 with Std Dev of 1.008 .This implied that respondents disagreed that the company creates good environment for employees work and skills. The composite of training and development had a mean of 2.32 with Std Dev of 1.087.Therefore the respondents disagreed that the insurance firm undertakes training and development.

The view that staff turnover influence performance of insurance firms Uasin Gishu County was also confirmed by interviews when one sales manager said that;

"…..sales agents keep exiting the firm because of lack of job security since their terms of service are temporary. This frequent exits leads to low sales and impacts negatively on premium collection …."

The findings were supported by an observation made by the researcher where sales agents were lamenting that some of their clients had failed to pay their premiums hence affecting their commissions. This finding is consistent with research by Kanakeh (2009) that sought to establish how job turnover is influenced by employee perceptions in insurance industry where findings revealed poor pay, a lack of job evaluations, job unhappiness, and a lack of desire are personal variables that affect job turnover.

The Hypothesis Testing 2

Hypothesis testing 2 was tested at 95% confidence level given that <0.05, the null hypothesis was rejected and it was concluded that staff turnover has a significant influence on performance of insurance firms. This findings show that the staff turnover influenced insurance firms performance in Uasin Gishu County has an influence on the performance of Uasin Gishu County.

Discussions

In reference to findings analyzed descriptively, respondents with a higher frequency agreed that people's decisions to purchase insurance coverage may be influenced by staff turnover. Findings showed that respondents with higher frequency disagreed existence of job satisfaction in the insurance firms. The vast majority of respondents disagreed that employees in the insurance firms were well remunerated. Further the findings showed disagreed that insurance firms undertake training and development. This finding was also supported by results obtained in interview schedule.

Correlation analysis established that staff turnover has a strong positive influence on performance of insurance firms. Regression analysis indicated that 54.9 per cent in performance of insurance firms was explained by staff turnover. Thus hypothesis 2 was tested at 95% confidence interval given that $p < 0.05$ the null hypothesis was rejected and it was concluded that staff turnover has a significant influence on performance of insurance firm.

These results are consistent with that of D.Anianou (2018) on how competitive advantage is influenced by employee turnover among insurance companies: a case of AAR insurance company, which found that voluntary and involuntary staff turnover occurred due to poor remuneration, lack of benefits and unattractiveness of the job thus affecting the organization productivity and performance. The results align with the research conducted by AG, Muturi (2013), who in his investigation on employee turnover strategies and performance of insurance firms in Kenya, concluded that there was a positive association between staff recruiting techniques and the performance of insurance enterprises in Kenya.

4.4.3 Government Regulation and Performance of Insurance Firms

Influence of government regulation on the performance of insurance firms in Uasin Gishu County was presented, analyzed and discussed. Indicators of government regulation were compliance, tax relief and government regulation. Staff turnover and performance of Insurance firms was tested using 15 items. The items sought to assess how government regulation, influence the performance of insurance firms in Uasin Gishu County. The items on government regulation were analyzed and results presented as shown in Table 4.17.

Table 4.10: Government Regulation and Performance of Insurance Firms

Item	N	Mean	Std. Deviation
10a1 Approval of insurance products promotes good governance of the insurance industry.	90	2.72	.912
10a2 Ensuring the viability of applications for licensing promotes good governance	90	2.36	.998
10a3 Implementing compliance is expensive to insurance company	90	2.78	1.188
10a4 Compliance increase workload to people in the industry	90	2.88	1.475
10a5 Compliance improves internal controls	90	2.72	1.358
Composite Score for Compliance		**2.69**	**1.186**
10b1 Imposing of tax relief in all classes of insurance will improve performance of insurance firms by increasing sales.	89	4.26	1.050
10b2 Tax relief encourages consumption of insurance products	90	4.29	.963
10b3 Tax relief improves profits	90	4.14	1.076
10b4 Tax relief raise revenue for the company	90	4.12	1.069
10b5 Tax relief improves economic welfare hence reduced default premium payment	90	3.83	1.229
Composite for Tax Relief		**4.29**	**0.963**
10c1 Government policies protect the insured	90	4.11	1.267
10c2 Government policies promotes good governance of the insurance industry.	90	3.96	.970
10c3 Government policies increase accountability by insurance industry players	90	3.88	1.008
10c4 Government policies encourage investment by protecting policy holders	90	3.47	1.283
10c5 Government policies protect financial stability of insurance company	90	2.57	1.061
Composite Score for Government Policies		**3.66**	**1,117**
Composite Score for government regulations		**3.34**	**1.08**

Table 4.17 indicated that 90 respondents who participated in the research responded to the items on government regulations and performance of insurance firms.Item 10a1 sought to establish whether approval of insurance products promotes good governance of the insurance industry and the response had a mean of 2.72 and Std Dev of 0.912.The results shows that the respondents disagreed that approval of insurance products promotes good governance of the insurance industry. Item 10a2 sought to establish whether ensuring the viability of applications for licensing

promotes good governance and the response had a mean of 2.36 with Std Dev of 0.998.This implied that respondents disagreed that ensuring the viability of applications for licensing promotes good governance. Item 10a3 sought to establish whether implementing compliance is expensive to insurance company and the response had a mean of 2.78 with Std Dev of 1.188.This shows that the respondents disagreed that implementing compliance was expensive to insurance company. Item 10a4 sought whether compliance increase workload to people in the industry and the response had a mean of 2.88 with a Std Dev of 1.475 .This shows that the respondents disagreed that compliance increases workload to people in the industry. Item 10a5 sought to establish whether Compliance improves internal controls and the mean was 2.72 with Std Dev of 1.358.This shows that the respondents disagreed that compliance improves internal controls. The composite of compliance had a mean of 2.69 with Std Dev of 1.186. This results indicates that the respondents were not sure whether or not compliance influence performance of insurance firms.

Item 10b1 sought to establish whether imposing of tax relief in all classes of insurance will improve performance of insurance firms by increasing sales and the response had a mean of 4.26 and Std Dev of 1.050. Respondents agreeing that imposing of tax relief in all classes of insurance will improve performance of insurance firms by increasing sales. Item 1bc2 sought to establish tax relief encourages consumption of insurance products and the response had a mean of 4.29 with Std Dev of 0.963.This implied that respondents strongly agreed that tax relief encourages consumption of insurance products. Item 10b3 sought to establish whether tax relief improves profits and the response had a mean of 4.14 with Std Dev of 1.076.The results shows that the respondents agreed that tax relief improves profits. Item 10b4 sought whether tax relief raise revenue for the company and the response had a mean of 4.12 with a Std Dev of 1.069 .Respondents agreed that tax relief raises revenue for the company. Item 10b5 sought to establish whether Tax relief improves economic welfare hence reduced default premium payment and the mean was 3.883 with Std Dev of 1.229 .The results shows that the respondents agreed that tax relief improves economic welfare hence reduced default in premium payment. The composite of tax relief had a mean of 4.13 with Std Dev of 1.0774.Therefore the respondents agreed that the tax relief influences performance of insurance firm.

Item 10c1 sought to establish whether Government policies protect the insured and the response had a mean of 4.11 and Std Dev of 1.267.This implied that respondents agreed that Government policies protects the insured. Item 10c2 sought to establish whether Government policies promotes good governance of the insurance industry and the response had a mean of 3.96 with Std Dev of 0.970.This implied that respondents agreed that Government policies promotes good governance of the insurance industry. Item 10c3 sought to establish whether Government policies increase accountability by insurance industry players and the response had a mean of 3.88 with Std Dev of 1.008. This results indicates that the respondents agreed that Government policies increase accountability by insurance industry players. Item 10c4 sought whether Government policies encourage investment by protecting policy holders and the response had a mean of 3.47 with a Std Dev of 1.283 .The respondents agreed that Government policies encouraged investment by protecting policy holders. Item 10c5 sought to establish whether Government policies protects financial stability of insurance and the mean was 2.57 with Std Dev of 1.061 .Responses showed disagreed that Government policies encourage investment by protecting policy holders. The composite of Government policies had a mean of 3.66 with Std Dev of 1.117. Findings proving that compliance influence performance of insurance firm

The findings that government regulations influence performance of insurance firms were validated from the interviews when one respondent said;

"…..Government should consider giving more incentives to those who consume insurance to improve the sector…."

These findings are supported by Y Hagedon-Hanse (2019) study conducted in South African that sought to establish how regulation influence short term insurance environment and concluded that regulatory reforms enhanced the insurance industry in South Africa.

The Hypothesis Testing 3

Hypothesis testing 3 was tested at 95% confidence level given that <0.05, the null hypothesis was rejected and it was concluded that Government regulation presence has a significant influence on performance of insurance firms. These findings show that

Government regulations have influence on the performance of insurance firms in Uasin Gishu County.

Interviews supported this conclusion when one sales manager said;

"…. when government introduced IRA as the insurance industry regulatory body,policy holders felt their investments are secure and bought policies with confidence… "

Discussions

According to the findings analyzed descriptively, majority of respondents agreed that people's decisions to purchase insurance may be influenced by government regulations. Higher number of respondents was not sure whether or not compliance influences performance of insurance firms. The vast majority of respondents strongly agreed that tax relief influence the insurance firms. Further the findings showed respondents with a higher frequency agreed that government policies influence the performance of insurance firms. These findings were also supported by results obtained in interview schedule.

Correlation analysis established that government regulation has a strong positive influence on performance of insurance firms. Regression analysis indicated that 42.6 per cent in performance of insurance firms was explained by government regulations. Thus hypothesis 3 was tested at 95% confidence interval given that $p < 0.05$ the null hypothesis was rejected and it was concluded that government regulations has a significant influence on performance of insurance firms.

These results are consistent with B Kajwang (2009) study on how growth of insurance industry is affected by regulations and regulatory frameworks, which concluded accountability, transparency, competitiveness and civil confidence is enhanced by an effective regulatory framework in a financial system. The findings also concur with M. Kitaka (2019) who established that there was a moderating effect of government on various aspects of the sustainability of insurance companies in Kenya in a research on government regulation and the sustainability of Kenya's insurance companies.

4.4.4 Performance of Insurance Firms

In this section performance of insurance firms in Uasin Gishu County was presented, interpreted and discussed. The descriptive data was analyzed and presented as mean

scores and their standard deviations. The dependent variable had the following indicators; Revenue growth, claim settlement and liquidity. Answers were given by the respondents on 15 items and were captured on 5 point likert scale. Response was captured on each item to determine the level of agreement or disagreement using mean scores and standard deviation. The analysis and result of the items on performance of insurance firms in Uasin Gishu County is shown in Table 4.10

Table 4.11: Performance of Insurance Firms

Item	N Valid	N Missing	Mean	Std. Deviation
7a1 There is proper financing that comes from operations	90	0	2.73	1.079
7a2 The organization has a wide range of financing activities	90	0	2.31	.979
7a3 The management prioritizes investments and acquisitions	90	0	2.39	.870
7a4 There is a well-designed protocol	90	0	2.42	1.070
7a5 The company meets its short-term and long-term sales target	90	0	2.26	.978
Composite Score Revenue Growth			**2.42**	**0.995**
7b1 The customers consistently pay their premiums	90	0	2.09	1.224
7b2 There is a clear policy on claim settlement	90	0	3.13	1.439
7b3 The company detects fraudulent claims	90	0	2.69	.990
7b4 There are always sufficient funds to settle claims	90	0	2.42	.983
7b5 The company is known for faster claim payment	90	0	2.46	1.062
Composite Score for Claim settlement			**2.56**	**0.940**
7c1 The majority of the company's investments are liquid.	90	0	2.26	.955
7c2 The company has sufficient financial resources to obligations of the policyholders.	90	1	2.12	.998
7c3 There is a high amount of short-term investments that can be sold off.	90	0	2.08	1.030
7c4 The company has good liquidity management in sourcing funds	90	0	1.98	.983
7c5 If the company does not have enough money to pay claims, it sells its investments.	90	0	2.00	.936
Composite Score for Liquidity			**2.09**	**0.998**
Composite Score for performance of Insurance Firms			**2.36**	**0.973**

Table 4.10 indicated that 90 respondents who participated in the research responded to the items on performance of insurance firms. Item 7a1 sought to establish whether there was proper financing that came from operations and the response had a mean of 2.73

and Std Dev of 1. 079. Findings showed respondents were not sure whether or not there was proper financing that came from operations. Item 7a2 sought to establish whether the organization had a wide range of financing activities and the response had a mean of 2.31 with Std Dev of 0. 979. Therefore the results indicates that the respondents disagreed that the organization had a wide range of financing activities.Item 7a3 sought to establish whether management prioritized investments and acquisitions and the response had a mean of 2.39 with Std Dev of 0.870.This results indicates that the respondents disagreed that management prioritized investments and acquisitions. Item 7a4 sought to establish whether there was a well-designed protocol on how finance was managed and the response had a mean of 2.42 with a Std Dev of 1.070.This results indicates that the respondents disagreed that there was a well-designed protocol on how finance was managed. Item 7a5 sought to establish whether the company met its short term and long term sales targets and the mean was 2.26 with Std Dev of 0.978 .This implied that respondents disagreed that the company met its short term and long term sales targets. The composite frequency of revenue growth had a mean of 2.42 with std dev of 0.995.This implied that respondents disagreed that there was revenue growth in insurance firms.

Item 7b1 sought to establish whether the customers consistently paid their premiums and the response had a mean of 2.09 and Std Dev of 1.224.This implied that respondents disagreed that customers consistently paid their premiums. Item 7b2 sought to establish whether there was a clear policy on claim settlement and the response had a mean of 3.13 with Std Dev of 1.439.This results indicates that the respondents were not sure whether or not there was a clear policy on claim settlement.

Item 7b3 sought to establish whether the Company detected fraudulent claims and the response had a mean of 2.69 with Std Dev of 0. 990. This results indicates that the respondents were not sure whether or not the Company detected fraudulent claims. Item 7b4 sought whether there were always sufficient funds to settle claims and the response had a mean of 3.8 with a Std Dev of 0.9. This implied that respondents agreed that there were always sufficient funds to settle claims. Item 7b5 sought to establish whether the Company was known for faster claim payment and the mean was 2.42 with Std Dev of 0.983 .This implied that respondents disagreed that the company was known for faster claim payment. The composite of claim settlement had a mean of 2.558 with Std Dev

of 0.940.This implied that respondents disagreed that the firm had no challenge in claim settlement.

Item 7c1 sought to establish whether the majority of the company's investments were liquid and the response had a mean of 2.26 and Std Dev of 0.995. Findings showing respondents were not sure whether or not the majority of the company's investments were liquid. Item 7c2 sought to establish whether the company had sufficient financial resources to obligations of the policyholders and the response had a mean of 2.12 with Std Dev of 0. 998. Therefore the respondents disagreed that the company had sufficient financial resources to obligations of the policyholders. Item 7c3 sought to establish whether there was a high amount of short-term investments that could be sold off and the response had a mean of 2.08 with Std Dev of 1.030.The respondents disagreed that there was a high amount of short-term investments that could be sold off. Item 7c4 sought whether the Company had good liquidity management in sourcing funds and the response had a mean of 1.98 with a Std Dev of 0.983. The respondents disagreed that the company had good liquidity management in sourcing funds. Item 7c5 sought to establish if the company did not have enough money to pay claims, it sold its investments and the mean was 2.00 with Std Dev of 0.936. The respondents disagreed that if the company did not have enough money to pay claims, it sold its investments. The composite of liquidity had a mean of 2.088 with Std Dev of 0. 998. This implied that respondents disagreed that the liquidity of the firm was good.

Interviews with branch managers and sales managers of insurance companies showed that they believed that premium payments contributed to the maintenance of operations and the acquisition of a competitive edge in the market. As one manager noted,

“…..When clients don't pay their premiums, our sales agents are not paid sales commissions, which demotivates them and results in decreased sales….”

This finding is consistent with Grace Kollie's (2015) study on the determinants of performance of insurance companies in Kenya, which established that cash flow and liquidity have an impact on how well the industry perform.

4.5 Inferential Statistics

Inferential analysis was done to generate model summary, analysis of variance and regression coefficient

4.5.1 Correlation Analysis

The relationship between each independent variable and the dependent variable is shown by correlation analysis. Perfect correlation is shown by a correlation of 1, while no correlation is indicated by a correlation of 0. In the same sense, values close to 1 denote a strong correlation while values close to zero shows a weak correlation. An inverse link between the variables is shown by a negative correlation. The study used a Pearson's Product Moment Correlation and the results are indicated in table 4.11

Table 4.12: Correlation Table

		Performance of Insurance Firms	People's culture	Staff turnover	Government regulation
Performance of Insurance Firms	Pearson correlation	1			
	Sig.(2-tailed)				
People's culture	Pearson correlation	.868	1		
	Sig.(2-tailed)	0.000			
Staff turnover	Pearson correlation	.831	.675	1	
	Sig.(2-tailed)	0.000	0.000		
Government regulation	Pearson correlation	.946	.984	.589	1
	Sig.(2-tailed)	0.000	0.000	0.000	

The correlation statistics shown in table 4.12 indicate that performance of insurance firms is strongly and positively correlated with peoples culture ($r = .868$, $p = 0.01$). Correlation analysis shows that there was a strong positive correlation of .868 between peoples' culture and performance of insurance firms .The correlation statistics also indicate that performance of insurance firms is strongly and positively correlated with staff turnover ($r = .831$, $p = 0.01$).Correlation analysis shows that there was a strong positive correlation of .831 between staff turnover and performance of insurance

firms. The correlation statistics also indicate that performance of insurance firms is strongly and positively correlated with government regulation (r = .946, *p* = 0.01).Correlation analysis shows that there was a positive strong correlation of .946 between government regulations and performance of insurance firms.

4.5.2 Regression Analysis

Regression analysis is utilized to establish if an independent variable has a significant influence on the dependent variable. Regression analysis was done to produce the model summary, analysis of variance and the regression coefficient. The researcher also conducted a multiple regression analysis to determine the influence of the three variables (people's culture, staff turnover and government regulations) on the performance of insurance firms in Uasin Gishu County Kenya.

The regression equation used was;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where:

Y = Performance of Insurance Firms

X_1 = People's Culture

X_2 = Staff Turnover

X_3 = Government Regulations

e =Error Term

Model Summary

The model summary shows how well the dependent variables can explain or forecast changes in the independent variable. This study explains changes in the performance of insurance firms in Uasin Gishu County. The model's strength is explained by the coefficients of determination (R squared), which also demonstrate how well the study variables might be utilized to forecast changes in the performance of insurance firms in Uasin Gishu County.The results are shown in table 4.12.

Table 4.13: Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.829	0.629	0.496	1.094	1.787

a. Predictors:(Constant),People's culture, Staff turnover, Government regulation

b. Dependent Variable: Performance of Insurance Firms

According to Table 4.13's findings, R was 0.829, indicating a significant relationship between the three variables that influence the performance of insurance firms. The R square value was 0.629, implying 62.9% of the dependent variable (performance of insurance firms) could be explained by the independent variables (people's culture, staff turnover and government regulation) with the remaining 37.1% being variation due to other factors that have not been considered in this study. The adjusted R square is 0.496 indicating that the response variable can be explained by the predictor variable.

The data has a Durbin Watson of 1.787 indicating that there are no auto-correlations. Values between 1.5 and 2 indicate absence of auto-correlations while values above or below indicate either positive or negative auto-correlations. Regression analysis can become less accurate due to auto-correlation. This implied that regression model has a very good predictive and explanatory behavior.

Significance of Variance Testing

The values obtained after doing an F test are expressed using an ANOVA table. The statistical test is appropriate for expressing the importance of the relationship between the study variables. The null hypothesis would be rejected if the p-value was less than 0.05, whereas a p-value greater than 0.05 would indicate that the research failed to reject the null hypothesis. Table 4.13 shows the findings.

Table 4.14: ANOVA Statistics on People's Culture, Staff turnover and Government Regulation and Performance of Insurance Firms

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	35.112	2	3.950	3.665	.000[b]
Residual	101.910	90	1.223	**=62.9**	
Total	137.022	91	.638		
R-squared 0.629	Adjusted R-squared 1.094			Root MSE=576	

a. Predictors: (Constant), People's culture, Staff turnover Government regulation

b. Dependent Variable: Performance of insurance firms

Analysis of variance statistics on influence of government regulations on insurance firm's performance is shown in table 4.18 The statistics of government regulations was r=F (1, 91) =3.665 at p< 0.05, shows that the regression model is significantly acceptable in providing a predicting outcome on the dependent variable. The R^2=0.629 indicate that 62.9% in insurance performance was explained by independent variables. This also indicates that 37.1% of the variation in insurance performance is explained by other variables outside the model .Hypothesis testing 1,2,and 3 were rejected and it was concluded that people's culture ,staff turnover and government regulations have a significant influence on the performance of insurance firms.

Table 4.21 shows that the p-value was 0.000 which is less than 0.05, thus the model was statistically significant in predicting how people's culture, staff turnover and government regulations influence the performance of insurance firms in Uasin Gishu County. Therefore the study rejects the null hypothesis and determine that there is a significant influence of people's culture, staff turnover and government regulations on the performance of insurance firms in Uasin Gishu County.

Regression Coefficient

The regression coefficient details the effect of increasing each independent variable on the dependent variable while keeping other factors constant. Table 4.15 shows the results.

Table 4.15: Regression Coefficient

Coefficients[a]							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1 (Constant)	1.093	.785		1.391	.000		
People's culture	-.380	.177	-.024	-.214	.831	.627	1.596
Staff turnover	-.177	.197	.159	.899	.371	.274	3.647
Government regulation	1.97	.113	.239	1.728	.880	.535	1.868

a. Dependent Variable: Performance of insurance firms

Findings shows that the predicted performance of insurance firms is =1.093+-.380 (people's culture) this result indicates that a unit increase in people's culture results in -.380 unit increase in performance in insurance firms. Additionally the regression equation indicates that the predicted performance of insurance firms is =1.093+-.177 (staff turnover) this result indicates that a unit increase in staff turnover results in -.177 unit increase in performance in insurance firms. The regression equation also indicates that the predicted performance of insurance firms is =1.093+1.96 (government regulations) this result indicates that a unit increase in government regulations results in 1.96 unit increase in performance in insurance firms.

Thus the optimal model for the study becomes;

Y (Performance of Insurance Firms) =1.093+ (-0.380) People's Culture+ (-0.177) Staff Turnover+ (1.96) Government Regulations+ *e*

Y=1.093=+ (-0.380+ (-0.177) +1.96+ *e*

From the findings of the regression model analysis, if all factors were held constant, performance of insurance would be at 1.093.

Hypothesis Testing

Hypothesis testing 1,2 and 3 were tested at 95% confidence level given that $p<0.05$, the null hypothesis were rejected and it was concluded that peoples culture ,staff turnover and government regulations have a significant influence on the performance of insurance firms in Uasin Gishu County.

Table 4.16: Hypotheses Testing.

Variable	Null Hypotheses	Results
People's culture	**H_{O1}:** There is no significant influence of people's culture on the performance of insurance firms in Uasin Gishu County, Kenya.	Rejected given that $p<0.05$
Staff turnover	**H_{02}:** There is no significant influence of staff turnover on the performance insurance firms in Uasin Gishu County, Kenya.	Rejected given that $p<0.05$
Government regulations	**H_{03}**: There is no significant influence of government regulations on performance of Insurance Firms in Uasin Gishu County, Kenya.	Rejected given that $p<0.05$

Discussions

Correlation analysis established that people's culture, staff turnover and government regulation have a positive significant influence on the performance of insurance firms in Uasin Gishu County. Regression analysis indicated that 62.9 % in performance of insurance firms was explained by the three independent variables under study. This study therefore concludes that people's culture, staff turnover and government regulation have a significant influence on the performance of insurance firms in Uasin Gishu County

4.6 Analysis of Statistical Assumptions and Likert Type Questions

This section describes the procedures used to test for normality and singularity as well as how Type I and Type II errors, which can arise from incorrect interpretation of different statistical data. Also Linkert Scale data analysis is fully explained.

4.6.1 Linearity Test

The study employed the most popular method for determining linearity and looked at the scatter plots of the variable to see whether there were any nonlinear relationships. It then tested an alternate model specification to bring out nonlinear aspects. The test aimed to determine whether variables are linearly correlated and to spot any departure from the line of best fit. Figure 4-1 illustrates how linearity was represented graphically using a normal predicted probability plot.

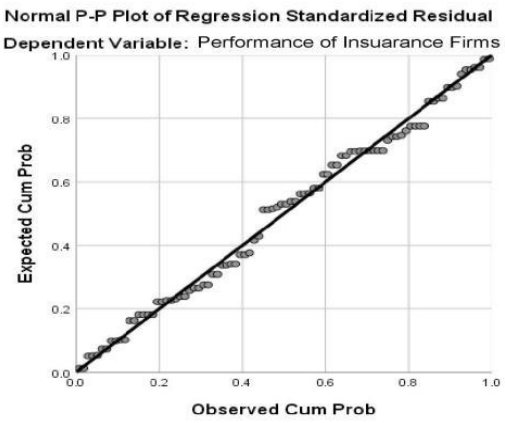


Figure 4.1 Linearity Test

4.6.2 Normality Test

To determine if the data under analysis have a normal distribution, a normality test is performed.In this study normality test was conducted using SPSS. According to Shapiro and Wilk (1965), the main purposes of a normality test are to help the researcher select the best test to run and to make sure that the assumptions underlying a normal distribution are upheld. Additionally, a normal test was conducted by looking at the skewness and kurtosis data. Kurtosis and skewness are two metrics used to assess

a distribution's symmetry and peakedness, respectively (Tabachnick and Fidel, 2007).The results for normality test is shown in table 4.8

Table 4.17 Normality Variable Distribution

Variable	Obs	W’	Z	PrProb.>zob.>Prpppz
Peoples culture	90	0.95343	4.846	0.00001
Staff turnover	90	0.97490	3.542	0.00020
Government regulation	90	0.98684	2.179	0.01466

The test results revealed that none of the variables violated the assumption of normal distribution, with all variables having p <0.05.However, the graphical analysis of the normality demonstrates that the data variables closely followed the diagonal line. Therefore, it was determined that the research population was distributed normally, as shown in the normality distribution plots in figure 4.1.

4.6.3 Heteroscedasticity

The absence of homoscedasticity is known as heteroscedasticity. In Regression analysis, heteroscedasticity can invalidate statistical tests of significance that rely on the assumption that modeling mistakes are uncorrelated, normally distributed, and that their variances don't change as the model effects change. This test verifies that data plotted on a scatter plot are distributed equally. Figure 4.2's residual scatter plot makes it clear that the variance of the residual is thought to be equal or the same for all predicted values of the dependent variable, supporting the homoscedasticity hypothesis. The ideal residual distribution is a very even distribution with residuals randomly distributed around 0 (the horizontal line). When the residuals do not cover the line in an evenly distributed pattern, heteroscedasticity is present. According to Osborne and Waters (2002, the residuals in the scatter plot should be between -2 and/or +2 points).Because all residuals fall under the suggested threshold, the study's assumption of heteroscedasticity in the analysis was satisfied.

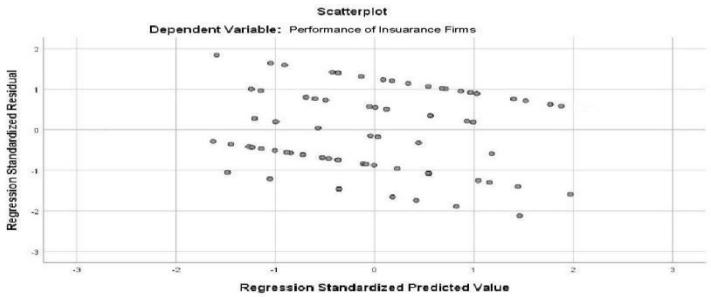


Figure 4.2 Heteroscedasticity Plot

4.6.4 Multi-collinearity Test

Multi-collinearity occurs when the correlation between two or more predictor variables in a multi-regression model is high. In this case, simple adjustments to the model or data could cause the coefficient estimates to fluctuate unpredictably (Farra & Glauber, 2005).Multi-collinearity helps in reduction of variables that measure the same things and the verification of model redundancy. Multi-collinearity was tested using the formal detection-tolerance and the variance inflation factor (VIF).According to the VIF rule of thumb, a VIF of 10 or more indicates serious multi-collinearity that has an impact on the study (Newbert, 2008). Results of testing for multi-collinearity are shown in Table 4.9.

Table 4.17 Multi-collinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	People's culture	.548	1.825
	Staffturover	.671	1.490
	Government regulation	.860	1.163

a. Dependent Variable: Performance of insurance firms

According to Field (2009) tolerance statistics below 0.1 signify major issues. The VIF in the current investigation was between 1.163 and 1.825, which is within the permitted limits, with a tolerance range of 0.548 to 0.860 and reciprocal.

4.6.5 Control of Type I Error and Type II Error

The results of rejecting and accepting the null hypothesis might lead to Type I Error and Type II Error. This two errors need to be controlled to ensure results of hypotheses are ideally scientific. The type one error results when hypothesis is rejected and real sense need to be accepted while type two errors is when hypothesis is accepted and was ideally need to be rejected. All these types of errors need to be minimized by selecting a 95% confidence level.

4.6.6 Analysis of Likert –Type Data

The five sections of the administered surveys each had items with a Likert scale format. Following Cafiro and Rocco's (2007) advice for an equidistant value of 0.8 for the scale, the analysis of Likert-type mean score data was embraced as follows; Strongly Disagree (SD) $1 < SD < 1.8$; Disagree (D) $1.8 < D < 2.6$; Neutral (N) $2.6 < N < 3.4$; Agree (A) $3.4 < A < 4.2$; and Strongly Agree (SA) $4.2 < SA < 5.0$. .This scale gave an equidistant scale of 0.8 which necessitated the ease with which quantitative data from questionnaires was analyzed and interpreted descriptively.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter outlines findings that have been summarized from previous chapter, key conclusion and recommendations for practice and operations. The findings and discussions were presented in chapter four. The goals of the study and its results served as a reference for the conclusions. Contribution to the body of knowledge was assessed and suggestive improvements for policy, management, operations and further studies.

5.2 Summary of Findings

An outline of the main findings of this investigation is provided in this section. The objectives of this research were to determine how people's culture influence insurance firm performance, establish how staff turnover influence the insurance firm performance, and assess how government regulations influence the performance of insurance firms in Uasin Gishu County, Kenya. To achieve this goal, statistical analyses that were both descriptive and inferential were carried out. The research targeted all the 49 registered insurance firms in Uasin Gishu County with the target respondents being the branch managers and sales managers. The data was collected using questionnaires and out of 98 questionnaires issued, 90 were filled and returned. This translates to 91.8% of questionnaire returns, which was deemed suitable. Tables were used to present the descriptively analyzed data. A total of three null hypotheses were formulated. It was determined that there was a correlation between the variables under examination by considering the levels of F statistics and Pearson's Product Moment Correlation at $p<0.05$, and null hypotheses were rejected.

5.2.1 People's Culture and Performance of Insurance Firms

The composite mean score for people's culture had a mean of 3.75 and a Std. Dev. of 1.137 while the composite of performance of insurance firms had a mean of 2.36 and a Std. Dev. Of 0.978.This indicated that people's culture had a moderate impact on the performance of insurance firms in Uasin Gishu County. Interviews and document analysis confirmed that religious beliefs, ethnic beliefs and perception were the greatest reasons why people don't take up insurance hence influencing the performance of insurance firms. The assumption of homoscedasticity could not be upheld and the

regression residuals' test for collinearity was not encountered. The results showed that people's culture had a negative and significant influence on insurance firm's performance at a beta coefficient of -0.380 from the view of the branch managers and sales managers. This results indicate that an increase in the unit change of people's culture would result to decrease in performance of insurance firms by 0.380 and p value of 0.000.This is an indication that when people get enlightened there will be an improvement in performance of insurance firms. These results are consistent with those of Yaari (2009), who found that religion has traditionally been a powerful basis of cultural hostility to some forms of insurance, particularly life insurance. Many religious individuals hold the view that relying on life insurance is a sign of mistrusting God's tender care. It also concurs with research by Park, Borde, and Chooi (2002), who discovered that insurance pervasiveness, which is the both penetration of life and non-life insurance is affected by culture. The results corroborate those of Omollo (2016), who demonstrated that Tanzania's slow adoption of education and life insurance is mostly due to the national culture of Ujamaa and fund-raising through fundraising forums (Harambee).

5.2.2 Staff Turnover and Performance of Insurance Firms

The composite mean score for staff turnover had a mean of 2.29 and a Std. Dev. of 1.040 while the composite of performance of insurance firms had a mean of 2.36 and a Std. Dev. Of 0.978.This meant that staff turnover had a high influence on insurance firm performance in Uasin Gishu County. Interviews and document analysis confirmed that lack of job satisfaction by employees, poor remuneration and lack of staff training and development contribute to high staff turnover in insurance firms hence influencing the performance of insurance firms. The assumption of homoscedasticity could not be upheld and the regression residuals' test for collinearity was not encountered. Based on the objectives, the findings revealed that staff turnover had a negative and significant influence on the performance of insurance firms at a beta coefficient of -0.177 and p value of 0.000. According to these findings, insurance firms' performance would decline by 0.177 for every unit increase in staff turnover. This results indicate that an increase in the unit change of staff turnover would lead to a 0.177 decline in insurance companies' performance. When staff turnover is improved there will be a corresponding improvement of performance of insurance companies. The results of this study are

consistent with a study by G. Lemesso (2016) that examined a case study of Maji Weroda, Ethiopia, and assessed the influence of personnel turnover on the efficacy and efficiency of public service delivery. The findings indicated that there was a high rate of employee turnover in Maji Weroda, and that this rate is occasionally accelerated due to poor governance, economic inflation, conflict, and a lack of hardship allowance, all of which have an impact on the organization's overall performance.

5.2.3 Government Regulation and Performance of Insurance Firms

The composite mean score for Government regulation had a mean of 3.55 and a Std. Dev. of 1.089 while the composite of performance of insurance firms had a mean of 2.36 and a Std. Dev. Of 0.978.This meant that government regulation had a moderate influence on insurance firm performance in Uasin Gishu County. Interviews and document analysis confirmed that regulatory compliance, tax relief and government policies encouraged consumers to take up policies in insurance firms hence influencing the performance of insurance firms. The assumption of homoscedasticity could not be upheld and the regression residuals' test for collinearity was not encountered. The results showed that, with a beta coefficient of 1.96 and a p value of 0.000, government regulation had a positive and significant influence on the performance of insurance companies. This results indicate that insurance firms' performance would rise by 1.96 for every unit change in government regulation. This is an indication that when the Government regulation are not stringent there will be an increase in performance of insurance firms. These findings are consistent with those of Moses Kang'ethe (2017), who discovered that the regulatory framework, customer service, national culture, and public knowledge all affect the prevalence of insurance in Kenya.

5.3 Conclusion

5.3.1 People’s Culture and Performance of Insurance Firms

The results of the study showed that the performance of insurance companies was significantly and negatively impacted by people's cultures. There is a widespread lack of public trust in the insurance industry, which can be linked to dishonest sales people who mislead clients about plans, this has influenced the performance of insurance firms. Poor claims handling, where customers feel that their claim are not paid in time, may also be the cause of lack of confidence in buying insurance hence influencing

performance of insurance firms. In times of need, people rely heavily on their social and informal networks, which might protect them when losses occur and therefore people do not see the need of taking insurance policies to cushion them in case of calamities. The study came to additional conclusion that cultural taboos and beliefs negatively affect Kenya's insurance uptake. Considering the results, the study concluded that religious beliefs, ethnic beliefs and perception had a detrimental effect on the performance of insurance companies in Uasin Gishu County.

5.3.2 Staff Turnover and Performance of Insurance Firms

The results of the study showed that staff turnover significantly and negatively impacted the performance of insurance companies. The results of the research indicate that most employees appear to have a significant level of job dissatisfaction with their work place and work culture, which is frequently extremely stressful and constantly demanding. Most responders claimed that lack of work-life balance as one of the major causes of their stress and eventual exit, this could be attributed to setting of unrealistic targets and with no facilitation for marketing. The study also concluded that poor remuneration was a major cause of staff exit as most respondents stated that insurers do not offer many opportunities for agents to form long-lasting bonds leading to job insecurity and significantly hinders their performance and longevity hence affecting how well the insurance firms perform. The analysis came to the conclusion that job satisfaction, remuneration and training and development influenced the performance of insurance firms in Uasin Gishu County.

5.3.3 Government Regulations and Performance of Insurance Firms

Based on the study's conclusions, government regulations positively and significantly influenced the performance of insurance firms. The findings showed that performance of the insurance firms increase when government provide policy guidelines and enforce regulatory compliance to insurance firms. When the government offer tax relief on insurance policies, sales in insurance firms increase. The study also discovered that examining regulatory standards and adherence to them will result in the supply of competitive insurance products, industry confidence, hence increase in performance of insurance firms. According to the findings, the researcher drew the conclusion that compliance, tax relief and government policies influenced the performance of insurance

firms in Uasin Gishu County.

5.4 Recommendations

The research suggests that manages of the insurance companies should involve religious leaders in their sensitization programs to reduce the negative religious beliefs towards consuming insurance products. The investigation also recommends that managers of the insurance companies need to enhance organizational structure to enable good communication within different cadres. Additionally in order to effectively connect with both current and new consumers, the study advises insurance businesses to invest in developing customer trust by hiring well-trained personnel who can represent the company properly and have a thorough understanding of insurance. The insurance firms should also enhance the employees' terms of service and remuneration so that they can have job security hence be committed in rendering their services.

Insurance providers ought to set up a reliable procedure for resolving claims that lives up to client expectations. Additionally this study recommends the government to come up with more tax incentives to motivate more people to take up insurance policies. This study further recommends that AKI should inform its members about the most effective training programs to clarify the public's perception of insurance policies in order to ensure that the services rendered to clients by the sales and customer support staff are worthwhile.

5.5 Suggestions for Further Study

While objectives were well-defined and achieved, several areas remain unclear and need to be investigated further. First the study looked at a few aspects of people's culture. Future studies should focus on other aspects of culture such as organizational culture and national culture. Secondly, this study focused only on registered insurance firms in Uasin Gishu County and it is possible that this is not a true depiction of the factors that influence insurance firms' performance, therefore a study could also be conducted, targeting broader geographic areas like several Countries in the World, African continent or other counties in Kenya and the conclusions of that study would be contrasted with those of this study.

Thirdly, a study could be done on Kenya's insurance penetration. Fourthly, to ascertain whether the same factors will still prevail a study of a similar nature should be

conducted after a period of time. Lastly the study makes the case for further independent variables to be investigated in future studies. These variables could include; consumer income, organizational culture and organizational structure. The findings of such investigation could be compared with the findings of this research.

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APPENDICIES

Appendix 1: Questionnaires

PART 1: INTRODUCTION

This questionnaire is aimed at collecting data for the purpose of analyzing the factors that influence the performance of insurance firms in Uasin Gishu County, Kenya. The information collected herein is intended for learning purpose only. Do not indicate your name on this questionnaire because the information you provide will be held with strict confidentiality.

PART 2: GENERAL INFORMATION ABOUT THE RESPONDENT

Please tick where applicable (√) in the spaces provided in the brackets below.

1. Type of Insurance Firm
Life Assurance ( ) General Insurance ( ) Composite ( )

2. Gender:
Female ( ) Male ( )

3. Please indicate your age :
Below30 ( ) 31-40 ( ) 41-50 ( ) Over 51 ( )

4. What is your position in the organization
Top Manager ( ) Regional Manager ( ) Sectional Manager ( )

5. Highest level of education:
Diploma ( ) Degree and Above ( )

6. How long have you worked in the insurance firm (Years)
Less than 5 year ( ) 6-10 ( ) Over 11 ( )

PART 3: FACTORS THAT INFLUENCE PERFORMANCE OF INSURANCE FIRMS IN UASIN GISHU COUNTY KENYA.

7. People's Culture and Performance of Insurance Firms.

This section contains items on the extent to which people's culture in Uasin Gishu County influence the performance of insurance firms in Uasin Gishu County. Please respond appropriately by inserting a tick (√) against the value of the number you think best represents your answer as; Strongly agree(SA) = 5, Agree(A) = 4, Neutral (N) = 3, Disagree (D) = 2, Strongly disagree (DS) =1

No.	Items	SA	A	N	D	SD
a) Religious beliefs		5	4	3	2	1
1.	Some religious people belief that their supreme being protects them from risks					
2.	Some religious people belief loses occur to those divert from the principles of their religion.					
3.	Some religious people belief that it is a sin to think and plan about future occurrence					
4.	Some religious people are against insurance that pay interest					
5.	Some religions do not believe in seeking medical attention hence ignore medical cover					
b) Ethnic beliefs						
1.	Some members of the society feel that they are "good people" and that risk and losses only happen to "cursed people".					
2.	Taking up an insurance cover is a way of attracting bad omen					
3.	Some communities belief it's a taboo to prepare for the worst					
4.	Some communities believe that insurance is related to witchcraft					
5.	The community always to help in case of a loss					
c) Perception						
1.	Some members of the society feel that paying for insurance is as good as throwing money away.					
2.	Some members of the society feel that they have nothing to lose and hence no need to insure.					
3.	Some people belief insurers are untrustworthy					
4.	Some people belief that insurance is meant for the rich.					
5.	Some prospects have no trust in insurance firms.					

8. STAFF TURN-OVER AND PERFORMANCE OF INSURE FIRMS

This section contains items on how staff turnover influence the performance of insurance firms in Uasin Gishu County. Please respond appropriately by inserting a tick (√) against the value of the number you think best represents your answer as; Strongly agree(SA) = 5, Agree(A) = 4, Neutral (N) = 3, Disagree (D) = 2, Strongly disagree (DS) =1

No	Items	SA	A	N	D	SD
	a) Job satisfaction	5	4	3	2	1
	Management seeks to customize jobs to fit the employees' talents.					
	Management seeks to develop their employees before placing them at their respective work stations.					
	Management seeks to constantly connect with employees after deployment					
.	Roles and responsibilities are well defined					
	Employees are placed according to their area of specialization					
	Remuneration					
	Employees' salaries are commensurate to tasks assigned.					
	Employees are paid according to their education levels					
	Appraisal are undertaken to determine individual performance					
	Reward style is used to motivate employees who perform well					
	There is proper channel for employees to channel their grievances					
	Training and Development					
	All staff attend trainings and workshops					
	Employee training and workshops benefit the company					
3	Trained employees perform their duties more effectively than the untrained employees					
	The company encourages innovation among employees					
5	The company creates good environment for employees work and skills					

9. GOVERNMENT REGULATIONS AND PERFORMANCE OF INSURANCE

This section contains items the performance of insurance firms in Uasin Gishu County. Please respond appropriately by inserting a tick (√) against the value of the number you think best represents your answer as; Strongly agree(SA) = 5, Agree(A) = 4, Neutral (N) = 3, Disagree (D) = 2, Strongly disagree (DS) =1

No.	Items	SA	A	N	D	SD
a) Compliance		5	4	3	2	1
1.	Approval of insurance products promotes good governance of the insurance industry.					
2.	Ensuring the viability of applications for licensing promotes good governance					
3.	Implementing compliance is expensive to insurance company					
4.	Compliance increase workload to people in the industry					
5.	Compliance improves internal controls					
b) Tax relief						
1.	Imposing of tax relief in all classes of insurance will improve performance of insurance firms by increasing sales.					
2.	Tax relief encourages consumption of insurance products					
3.	Tax relief improves profits					
4.	Tax relief raise revenue for the company					
5.	Tax relief improves economic welfare hence reduced default premium payment					
c) Government Policies						
1.	Government policies protect the insured					
2.	Government policies promotes good governance of the insurance industry.					
3.	Government policies increase accountability by insurance industry players					
4.	Government policies encourage investment by protecting policy holders					
5.	Government policies protect financial stability of insurance company					

10. Performance of insurance firms in Uasin Gishu County.

This section contains items on the performance of insurance firms in Uasin Gishu County. Please respond appropriately by inserting a tick (√) against the value of the number you think best represents your answer as; Strongly agree(SA) = 5, Agree(A) = 4, Neutral (N) = 3, Disagree (D) = 2, Strongly disagree (DS) =1

No.	Items	SA	A	N	D	SD
a)	**Revenue growth**	5	4	3	2	1
1.	There is proper financing that comes from operations					
2.	The organization has a wide range of financing activities					
3.	The management prioritizes investments and acquisitions.					
4.	There is a well-designed protocol on how finance is managed.					
5.	The company meets its short term and long term sales targets					
b)	**Claim Settlement**					
1.	The customers consistently pay their premiums					
2.	There is a clear policy on claim settlement					
3.	The company detects fraudulent claims					
4.	There are always sufficient funds to settle claims					
5.	The company is known for faster claim payment					
No.	Items	SA	A	N	D	SD
c)	**Liquidity**					
1.	The majority of the company's investments are liquid.					
2.	The company has sufficient financial resources to obligations of the policyholders.					
3.	There is a high amount of short-term investments that can be sold off.					
4.	The company has good liquidity management in sourcing funds					
5.	If the company does not have enough money to pay claims, it sells its investments.					

The End

Thank you for participating in the survey

Appendix: 2: Interview Schedule

PART 1:

The purpose for this interview schedule is to collect data for analysis to determine the factors that influence performance of insurance firms in Uasin Gishu County, Kenya. The information gathered will be handled with confidentiality and used for academic purposes only. It is anticipated that the findings of this study will make significant contribution towards performance of insurance firms in Uasin Gishu, Kenya. Please be as honest as possible when responding to the questions listed in this schedule.

PART 2: GENERAL INFORMATION ABOUT RESPONDENTS

When did this branch start operating?

How long have you worked in this company?

How is the company performing?

PART 3: SPECIFIC INFORMATION

People's Culture

How do religious beliefs influence sales growth?……..

How does culture influence performance of insurance firms?.....

How do ethnical beliefs influence sales growth?.....

How does ethnical beliefs influence performance of insurance firms?.....

How does perception influence performance of insurance firms?.....

How does perception influence performance of insurance firms?.....

Staff turnover

Do job satisfaction lead to improved performance?.....

How does staff job satisfaction influence performance of insurance firms?....

Does good remuneration lead to good performance?.....

How does remuneration influence performance of insurance firms in?.....

Does good remuneration lead to good performance?.....

How does remuneration influence performance of insurance firms?.....

How effective is Training and Development?.....

How does Training and Development influence performance of insurance firms?

Government Regulation

How do compliance affect performance?.....

How does compliance influence performance of insurance firms?.....

Is tax relief effective?.....

How does tax relief influence performance of insurance firms?.....

Do government policies interfere with you performance?.....

How does Government policies influence performance of insurance firms?.....

Performance of insurance firms

What influences your revenue growth?.....

How does revenue growth influence performance of insurance firms? ……...

How efficient is your claim settlement procedure?.....

How does claim settlement influence performance of insurance firms?.....

What is your profit margin?.....

How does profit margin influence performance of insurance firms?.....

THANK YOU

FOR TAKING YOUR TIME TO ANSWER THE INTERVIEW QUESTIONS

Appendix: 3: List of Registered Insurance Firms

1. AAR Insurance Company
2. AIG Kenya Insurance Company Limited
3. APA Insurance Limited
4. Alliance Insurance Company
5. Africa Merchant Assurance Company
6. Britam General Insurance Company (K) Limited
7. Britam Life Assurance Company (K) Limited
8. Metropolitan Cannon General Insurance Company Limited
9. Metropolitan Cannon Life Assurance Limited
10. CFC Life Assurance Company Limited
11. CIC General Insurance Company Limited
12. CIC Life Assurance Company Limited
13. Corporate Insurance Company Limited
14. Directline Assurance Company Limited
15. Fidelity Shield Insurance Company Limited
16. First Assurance Company Limited
17. GA Insurance Limited
18. GA Life Assurance Limited
19. Geminia Insurance Company Limited
20. Geminia Life Insurance Company
21. Heritage Insurance Company
22. Invesco Assurance Company Limitedpany Limited
23. ICEA LION General Insurance Company Limited
24. ICEA LION Life Assurance Company Limited
25. Intra Africa Assurance Company Limited
26. Kenindia Assurance Company Limited
27. Kenya Orient Insurance Limited
28. Kenya Orient Life Assurance Limited
29. KUSCCO Mutual Assurance Limited
30. Liberty Life Assurance Kenya Limited
31. Madison Insurance Company Kenya Limited

32. Madison General Insurance Kenya Limited
33. Mayfair Insurance Company Limited
34. Occidental Insurance Company Limited
35. Pacis Insurance Company Limited
36. MUA Insurance (Kenya) Limited
37. Pioneer General Insurance Company Limited
38. Pioneer Assurance Company Limited
39.Prudential Life Assurance Company Limited
40.Saham Assurance Company Kenya Limited
41. Sanlam General Insurance Company Limited
42 Sanlam Life Insurance Company Limited
43.Takaful Insurance of Africa Limited
44.Tausi Assurance Company Limited
45.Heritage Insurance Company Limited
46.Jubilee Life Insurance Limited
47.Jubilee Allianz General Insurance (K) Limited
48. Jubilee Health Insurance Limited
49. Kenindia Insurance Company Limited

Appendix: 4: NACOSTI Research Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **371660**

Date of Issue: **21/November/2022**

RESEARCH LICENSE



This is to Certify that Ms.. JOYCE CHEMUTAI KITALA of Koitaleel Samoei University College, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Uasin-Gishu on the topic: FACTORS INFLUENCING PERFORMANCE OF INSURANCE FIRMS IN KENYA:A CASE OF SELECTED INSURANCE FIRMS IN UASIN GISHU COUNTY for the period ending : 21/November/2023.

License No: **NACOSTI/P/22/22057**

371660

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

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See overleaf for conditions

Appendix 5: Letter of Introduction (Institution)

KOITALEEL SAMOEI UNIVERSITY COLLEGE
(A CONSTITUENT COLLEGE OF THE UNIVERSITY OF NAIROBI)
OFFICE OF THE DIRECTOR SCHOOL OF BUSINESS

Email: jlishenga@ksu.ac.keJ
Website:www.ksuc.ac.ke

Telephone: +0722638064
P.O. Box 5-30307
Mosoriot, Kenya

REF: KSUC/SOB/MBA/PR/003 **DATE:** November 9, 2022

TO: WHOM IT MAY CONCERN

RE: KITALA CHEMUTAI JOYCE: D61/0013/2019

This is to confirm that the above person is a bona-fide student in the School. She has successfully completed MBA course work, prepared the requisite project proposal and is ready to proceed to the field for data collection.

Her project proposal is titled, ***Factors influencing performance of insurance firms in Kenya: A case of selected insurance firms in Uasin Gishu County.***

Any assistance and cooperation given to her in furtherance of her research enterprise will be welcomed and appreciated.

Thank you.

Faithfully.

KOITALEEL SAMOEI UNIVERSITY COLLEGE DIRECTOR SCHOOL OF BUSINESS P.O. Box 5-30307 MOSORIOT
09 NOV 2022

Prof. Josephat L. Lishenga
Director, School of Business

Cc: Dr Rael Mandago
Dr Ismael Oduor
Coordinator, Post-Graduate Studies Committee

Appendix 7: Letter of Introduction (Self)

Joyce Kitala,
Koitaleel Samoei University College
A Constituent College of the University of Nairobi
P.O Box. 5
Mosoriot.

Dear Sir/Madam,

RE: DATA COLLECTION

I am a postgraduate student at Koitaleel Samoei University College, a Constituent College of the University of Nairobi undertaking a Master of Business and Administration degree Program majoring in Strategic Management. One of my academic outputs before graduating is a thesis and for this I have chosen the research topic "Factors that influence performance of insurance firms in Kenya: A case of selected insurance firms in Uasin Gishu County.".

You have been selected to form part of the study. This is to kindly request you to assist me collect the data by responding to the questionnaires and interview guide. The information you provide will be used strictly for academic purposes and will be treated with utmost confidence.

Yours Sincerely,

Joyce Kitala

Variable	No.of Cases	No. of Items	Reliability Coefficient
Religious Beliefs	90	5	0.823
Ethnic Beliefs	90	5	0.798
Perception	90	5	0.816
Peoples Culture	**90**	**15**	**0.812**
Job satisfaction	90	5	0.842
Remuneration	90	5	0.831
Training and Development	90	5	0.773
Staff Turnover	**90**	**15**	**0.815**
Compliance	90	5	0.794
Tax Relief	90	5	0.817
Government Policies	90	5	0.713
Government Regulations	**90**	**15**	**0.774**
Revenue Growth	**90**	**5**	0.887
Claim Settlement	**90**	**5**	0.851
Liquidity	**90**	**5**	0.729
Performance of Insurance Firms	**90**	**15**	**0.822**

Appendix 7: Cronbach's Alpha Reliability Coefficient

FACTORS INFLUENCING PERFORMANCE OF INSURANCE FIRMS IN KENYA: A CASE OF SELECTED INSURANCE FIRMS IN UASIN GISHU COUNTY

ORIGINALITY REPORT

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