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Drivers of strategy execution among insurance companies in Kenya

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Declaration

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

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Approval

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Abstract

The main objective of this study was to explore the drives of strategy execution among Insurance companies in Kenya. The study sought to rank of the drivers of strategy execution among insurance companies, to assess the effect of strategy execution drivers based on size of the of insurance companies and identify the contribution of each department to the strategy execution process among insurance companies. The population was the 53 Insurance companies regulated by the Insurance regulatory authority. The population was stratified in terms of their market share with companies in the top half of IRA ranking categorized as group 1 and those in the bottom half categorized as group 2. Simple random sampling was used to reach a total of 60 respondents, 30 in group one and 30 in group two. This study clustered the departments into three: business development, operations and support services. The respondents were the heads of these departments and their assistants. To achieve the research objectives, the study used a self-administered questionnaire as the data collection tool. Data was analyzed using descriptive and inferential statistics and the findings were presented using tables, graphs and correlation matrix. Major research findings indicated that people are the main contributor to strategy execution gap, followed by alignment, systems and structure in that order. The second finding was that the bigger companies face system challenges while executing strategy while their smaller counterparts face challenges around people. Lastly, the human resource department contributes the most to the strategy execution gap, with the claims department contributing the least. Based on the findings, the study recommends adoption of more innovative strategies to manage human capital in insurance companies. Secondly, insurance companies need to investment in operational systems to match company growth. Lastly, insurance companies should enlighten their external customers on the claims processing cycle so as to manage the client's expectations. The researcher suggests further studies be carried out how the human resource function can bridge the 'people' gap, why large companies with sufficient resources suffer 'system' problems and lastly how to manage the expectation gap between the insurance practitioners and customers on claims processing.

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Abbreviations

ACCA	Association of chartered certified accountants
AKI	Association of Kenya Insurers
CEO	Chief Executive Officer
CIC	Co-operative Insurance company Limited.
CFO	Chief financial officer
HR	Human Resource
ICT	Information and Communications Technology
IRA	Insurance Regulatory Authority
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Kshs.	Kenya Shillings
PWC	PricewaterhouseCoopers

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Dedication

For:

Melissa – *my HoneyBee*

My daughters Kanana & Wangeci – *my friends*

May late parents who urged me to get this far, and beyond

To all who strive to make a positive change

CHAPTER 1: INTRODUCTION

1.1. Background to the study

Strategy execution requires the collective efforts of multiple organizational units, each working on different activities, but all working toward a common goal – execution of the strategy (Birnbaum, 2007).

Most organizations have strategy statements that serve as a guiding light for the business and people who run them. A strategy statement has three main themes: the fundamental goals that the organization seeks (vision, mission and objectives), the scope of its activities (customers, markets, product & services mix) and the competitive advantages the organization has to deliver on the strategy. (Johnson, Whittington, Scholes, Angwin & Regner, 2014).

Higgins (2005) explains strategy at three levels: corporate, business and functional levels. The corporate strategy is the overall view that defines the business the firm is in, the opportunities for investment into new areas and the businesses a firm should divest from in response to changes in the environment. Business strategy defines how the firm will gain sustainable competitive advantage in the chosen business. The competitive advantage is typically gained through relative differentiation and relative low cost. Lastly, Higgins (2005) explains functional strategies as designed to support the business strategy. These functions include sales and marketing, finance, operations, human resources management and administration, research & development, information and communications technology. The functions are supported by process strategies which are aimed at integrating the processes in the organization to make them more effective and more efficient.

Senior executives of organizations invest time and resources towards crafting strategies to enable their organizations achieve their mission statements. After a strategy is in place, the next step is the execution and finally its evaluation. It is the execution stage that poses most challenges in the strategy cycle as highlighted by the low success rate. According to Cater and Pucko (2010), 80% of companies have the right strategies, yet only 14% implement them well. This trend is consistent with the findings in the Harvard Business Review report which concluded that the real success rate of strategy execution lies between 10% and 30% (Raps, 2004).

Strategy execution involves interaction between various teams, with each playing its part in executing the strategy. In their report, PricewaterhouseCoopers states that better alignment within teams enables successful strategy execution, improves overall performance, and delivers financial returns. (PWC, 2014)

The reasons for low success rate in strategy implementation have been studied over time. Hrebiniak (2011) identifies some of the hurdles affecting strategy implementation. These include inadequate training for managers on strategy implementation, top level managers perceiving strategy execution as a task for the lower cadre staff, managers missing the interdependence of strategy planning and execution, lack of stamina to follow through with the discipline required for strategy execution and lastly the fact that execution requires the input of more people that planning does.

Li, Guohui, & Eppler (2008) identify nine factors that affect strategy formulation divided into soft, hard, and mixed factors. The five soft factors (also referred to as people-oriented factors) include the people or executors of the strategy, the communication activities (including content and style), implementation tactics, consensus both within and without the organization, and commitment to the strategy. The two hard factors (also referred to as institutional factors) are the organizational structure and administrative systems. The two mixed factors are strategy formulation (the way in which the strategy was developed and articulated) and relationships among different units/departments.

1.1.1. Insurance industry in Kenya

The insurance industry in Kenya is regulated by the Insurance Act of Kenya and its attendant regulations. The Act provides for the Insurance Regulatory Authority (IRA) which is responsible for licensing, regulating and developing the insurance sector in Kenya. Other laws that affect the insurance industry directly and indirectly, include; The Statute Law (Miscellaneous Amendments) Act, 2017, Finance (Amendment) Bill, 2017, Excise Duty Act, 2015, Tax Procedures Act, 2015, Unclaimed Financial Asset Act, 2015 and Companies Act, 2015.

In their trans-sector study, Association of Kenya Insurers (2017), places Insurance penetration at 2.88% as at the end of 2016. This is low compared to other economies like South Africa at 14% and Namibia at 7.2%. The Kenyan insurance industry achieved a gross written premium of Kshs. 194.73 billion and underwriting loss of 390.8 million in 2016. The industry posted a better performance in 2017 with gross written premium of Kshs. 207.67 billion and underwriting profit of 556.1 million (IRA 2017). The sector comprises various players including Reinsurance companies, Insurance companies and Insurance intermediaries (brokers and agents).

The Association of Kenya Insurers (AKI) classify Insurance into general insurance and life insurance. General insurance business typically runs for one year and thus also referred to as short term insurance. It covers property, liability and medical insurance. Life insurance on the other hand is long term and is designed to protect the financial interests of the customer from circumstances such as loss of income due to critical illness or death of the customer. It has three main classes namely: group life insurance, individual life insurance and pension plans/retirement benefits scheme.

Kiarie (2012) highlights strategy execution at Co-operative Insurance company Limited. The study concluded that successful strategy implementation at CIC and also in other insurance companies in general should be supported by aligning culture to strategy. Specifically, the study concludes that CIC needs to address the resistance of employees during strategy execution by improving on communication, training and rewarding them adequately. On leadership style the study recommends that CIS should embrace transformational rather than transactional leadership style to enhance staff motivation.

Jumba (2015) acknowledges challenges faced by Gateway insurance Limited during strategy implementation. These include some aspects of organizational culture and structure, high degree of staff turnover, resistance to change lack of infrastructural facilities, government/ political factors and inadequate resources. The study highlighted people related aspects that play a key role in strategy execution such as adequate training and empowerment, effective communication, stakeholder involvement leadership and culture. Besides people issues, the study underscores the need to have necessary resources to support strategy execution, understand and satisfy customer needs and regulatory support from IRA by formulating and enforcing suitable policies to govern the industry.

Association of Kenya Insurers (2017) sums up the insurance sector strategy by pointing to the industry targets by year 2020. These are: to grow industry revenue from Kshs. 207 billion to Kshs. 500 billion, to increase insurance penetration from 2.77% to 6.5% and to improve insurance density from Kshs. 4,400 to Kshs. 10,000 premium per head. The study further breaks down the strategy into five sub-strategies namely customer strategy which aims to achieve end-to-end transformation of customer experience, product strategy which seeks to design products that speak to customer needs, route to market strategy which seeks to create collaborate with intermediaries as partners, and leverage on smart phone and social media channels. The fourth sub strategy is technology which focusses on transforming the legacy systems to highly interactive systems and finally skills which targets to increase the skills base for the industry.

With the strategic goals set by the Association of Kenya Insurers (2017) to be achieved by year 2020, along with the challenges faced by insurance companies in implementing past strategies, this study focusses on the drivers of strategy execution in that context.

1.2. Problem statement

Strategy execution gap refers to the variance between strategic plans and the organization's actual execution of those plans.

To articulate the problem, Hrebiniak (2005) poses critical questions on strategy implementation: if execution is central to success, why don't more organizations develop a disciplined approach to it? Why don't companies spend time developing and perfecting processes that help them achieve important strategic outcomes? Why can't more companies execute or implement strategies well and reap the benefits of those efforts?

Myler (2012) presents numbers that portray the challenges in executing strategy: 65% of organizations have an agreed-upon strategy. 14% of employees understand the organization's strategy. Less than 10% of all organizations successfully execute the strategy.

Literature review identifies a number of studies conducted to explore the strategy execution gap. In the Kenyan Insurance industry, such studies include those of Wachira (2013) which focused on key success factors in Kenya's insurance industry, Gitau (2013) which explored strategies adopted by Kenyan insurance companies to alleviate low insurance penetration and Ouma (2016) which focused on competitive strategies and performance of insurance companies in Kenya. Some of the studies have focused on strategy execution as case studies including Omollo (2014) which examined the challenges in the implementation of strategic plan at the APA insurance company limited in Kenya and Ouma & Gichinga (2017) which explored determinants of effective strategy implementation in the insurance industry in Kenya - A Case Study of AAR Insurance

Except for Omollo (2014) and Ouma & Gichinga (2017), these studies focused on external factors that affect strategy execution among insurance companies in Kenya. The studies by Omollo (2014) and Ouma & Gichinga (2017) took an internal view of insurance companies, but the two are restricted to case studies and not the entire industry.

Despite the reasons for poor strategy execution being availed for reference by the organizations, they have continued to record low success rate in strategy execution. While the reasons for failure of strategies have been identified in many parts of the world, they exclude or poorly account for the internal factors contributing to the strategy execution gap among insurance companies in Kenya. This study seeks to make some steps in exploring the internal factors that contribute to the strategy execution gap and widens the research on all insurance companies in the Kenyan market.

1.3. Research Objectives

The general objective of this study is to examine the drivers of the strategy execution gap among insurance companies in Kenya.

The specific research objectives of the study are to:

i. To establish the ranking of the drivers of strategy execution among insurance companies.

ii. To assess the effect of strategy execution drivers based on size of the insurance companies.

iii. To identify the contribution of each department to the strategy execution process among insurance companies.

1.4. Research Questions

i. What is the ranking of the drivers of strategy execution among insurance companies?

iv. What is the effect of strategy execution drivers based on size of the insurance companies?

ii. What is contribution of each department to the strategy execution gap among insurance companies?

1.5. Scope

This study sought to obtain data from the insurance companies regulated by Insurance regulatory authority in Kenya.

Secondly, the respondents for the study were the heads of departments and their assistants as these are the people charged with the responsibility of strategy execution in the insurance companies.

This study focused on the execution stage of the strategy process as it is the one that causes most challenges. Other stages are strategy formulation and strategy monitoring.

1.6. Significance

Despite efforts by Insurance companies to develop and execute various strategies, insurance penetration, which is defined as the value of gross written premium in the entire industry as a proportion of the country's GDP, remains low. The results of this study will benefit Insurance practitioners identify the internal factors that contribute to the strategy execution gap and make recommendations to address them in order to enhance their chances to implement strategies successfully.

There have been significant strategic alignments in the industry in the last three years that will change the competitive landscape in the Kenyan insurance space. These include mergers and acquisitions, rebranding, and entry of international players in the insurance sector in Kenya. New entrants in the last three years include Allianz Insurance Company of Kenya Limited, Barclays Life Assurance Kenya Limited and Saham Assurance Company Kenya Limited. Mergers and acquisitions include Britam & Real Insurance, UAP & Old Mutual, Metropolitan & Canon Insurance and Sanlam & Gateway Insurance. Pan Africa Life Insurance has rebranded to Sanlam Life Insurance. The findings of this study will advise the management teams on the focus areas that will address strategy execution gap in a dynamic industry. Besides management, the boards of various insurance companies will have an additional reference point for the drivers of strategy insurance companies.

The industry is also undergoing legislative changes following introduction of risk-based capital regulatory framework aimed at ensuring that insurance companies maintain a capital adequacy level that is commensurate to their risk profile. On the global front, the insurance industry is experiencing significant changes including innovations, like telematics and wearable health/fitness devices, rising customer expectations, shifting generational preferences, and the reduced cost of entry for new market players. The impact of these change is that boards and management will need to execute their strategies successfully in order to meet strategic objectives around product and market strategies, profitability, capital investments, product mix, underwriting discipline, credit control and investments management. The findings of this study will shed light on the action areas for the various departments charged with meeting these strategic objectives.

Changes in the insurance accounting and reporting standards including IFRS 9 – Financial Instruments, IFRS 16 - Leases and IFRS 17 – Insurance Contracts will change the operations of Insurance companies significantly. This will call for the various department to understand the impact of these changes along with the strategic actions necessary in their specific disciplines in order to address any strategy execution gaps. Aligning strategy to these changes will also guide auditors and regulators in reporting and regulating the industry.

These developments, along with the traditionally competitive nature of the insurance sector call for insurance companies respond by drafting and executing more competitive strategies. Players among the insurance companies will find the results of this study useful in understanding the drivers of strategy execution gap from internal stakeholders and aligning their actions to achieve their strategic goals. Existing and potential investors will also benefit by understanding drivers of success in the industry and assist in assessing company performance in view of desired return on their investments.

CHAPTER 2: LITERATURE REVIEW

2.1. Introduction

This literature review is divided into five sections to address the various issues adequately. The first section describes the theoretical framework for the study while the second section defines strategy execution gap and explores factors contributing to the strategy execution gap. The third section highlights the roles of various departments in the strategy execution process. Given that these departments do not operate in isolation during the execution of strategy, this section highlights their interplay in relation to the strategy execution gap. The fourth section looks at how this study relates to previous studies and identifies knowledge gaps in previous research. The fifth and final section presents the conceptual framework for the study.

2.2. Theoretical Framework

Sekaran & Bougie (2013) explains a theory as a concept, instrument, model or framework, that helps explain, predict, and understand phenomena or a topic of interest.

According to Grant (1991) the resource-based theory of competitive strategy emphasizes that a firm gains competitive advantage by leveraging on resources and capabilities that are not available to its rivals. The theory uses resources and capabilities as the foundation for the organization's long-term strategy that provides direction and delivers profits. The theory is implemented through a five-stage framework: analyze resources, appraise capabilities, analyze competitive advantage, select strategy, and identify resource gaps.

According to AKI (2017), insurance companies in Kenya compete at five levels: customer strategies, product strategies, channels of distribution, technology and skills set. Thus, the differentiator for the insurance companies are their resources and capabilities which makes the resource-based theory appropriate for this study.

In analyzing resources, the theory identifies the strengths and weaknesses of the firm relative to the competitors and points to opportunities for better utilization of the resources. Each respondent in this study will consider the resources available in their firm in responding to the questionnaire. Such resources include strong brands, patents, market share, financial resources, process technologies, strong supply chain, product technologies and marketing, distribution and service networks. The second stage entails identifying capabilities: what the firm can do better than its rivals. Capabilities include cost advantages, differentiation advantages, bargaining power, monopolies and barriers to entry.

The third stage entails analyzing competitive advantage by combining the resources and capabilities to determine their potential to deliver sustainable returns. The author identifies four factors critical in analyzing the competitive advantage of a firm: durability, transparency, transferability, and replicability. Durability means the ability of the firm's resources and capabilities to maintain their value in the long run by adopting to changes and withstanding obsolescence and rapid depreciation. Transparency means the difficulty for rivals to imitate a strategy due to lack of access to information on the capabilities as well as the complexity in the interplay of resources and capabilities that make it. Transferability covers the imperfections in moving resources and capabilities between different organizations that give the firm clear ownership and control. These include geographical immobility, heterogenous nature of human resources, firm specific resources such as brands and uncertainties associated with mergers and acquisitions. Lastly, replicability implies the difficulty in reproducing complex routines and corporate cultures unique to each organization. The fourth stage of the resource-based theory is selection of the strategy that best utilizes the firm's resources and capabilities relative to external opportunities. It means designing the strategy that narrows the strategic scope of the organization to activities which give it clear competitive advantage. The choice of the appropriate strategy is determined with a view of the four factors on competitive advantage: durability, transparency, transferability, and replicability. Leinwand and Mainardi (2016) underscores the choice of right strategy by pointing out that the company should enter the competitive market where they believe they have a "right to win": where their identity and capability give them an edge. Lastly the theory completes the loop through identifying areas to replenish and upgrade the firm's resource base. This ensures the firm has a sustainable base for future competitive advantage.

2.3. Drivers of strategy execution

2.3.1. Strategy execution gap

Johnson et. al, (2014) define the themes that define strategy: the fundamental goals that the organization seeks (vision, mission and objectives), the scope of its activities (customers, markets, product & services mix) and the competitive advantages the organization has to deliver on the strategy. Strategy execution gap is the variance between strategic plans and the organization's actual execution of those plans.

Traditional definitions viewed strategy execution as a linear process involving the conversion of a plan into activities (Wind and Robertson 1983). This view has since been improved to present strategy execution as a dynamic process involving iterative interactions between the organization and its strategic context. Li, Guohui, & Eppler (2008) define strategy implementation as a dynamic, iterative and nonlinear process comprising of a series of decisions and activities aimed at actualizing strategic intent.

Omeike, (2015) seeks to understand how organizations engage in strategy execution so as to reduce the execution gap. The study uncovers patterns of strategic practices aimed at conceptualizing how gap reduction happens and what mechanisms influence it. The research identifies four key dynamics associated with strategy execution: execution gap dynamic, gap reduction dynamics, execution focusing dynamics and organizational engagement dynamic. The research concluded that strategy execution is influenced by the way organizations implement action plans to advance strategic intent.

In another report PricewaterhouseCoopers explain the increased complexity among multi-national corporations that in turn makes strategy execution complicated. The effort of addressing today's most immediate challenges—increased regulation, global economic volatility, and the search for new sources of growth—leads to increased complexity for multi-national organizations as they seek to capitalize on opportunities. And that increased complexity, in turn, complicates execution of business strategy (PWC, 2014).

Higgins (2005) points out the need for organizations to take cognizance of cross functional execution issues during strategy implementation. He posits that for strategy to succeed, executives must align the following cross functional organization factors: structure, systems and processes, leadership style, staff, resources, and shared values.

2.3.2. Structure

An organization structure is the hierarchical arrangement of lines of authority, communications, rights and duties of an organization. The structure determines how the roles, power and responsibilities are assigned, controlled, and coordinated, and how information flows between the different levels of management (Ngéno, 2013).

According to Higgins (2005) structure encompasses the various jobs, grouping of jobs, authority and its delegation, field units & head office, departmentation, operating procedures, and control. He continues to present the organization's structure as consisting of five parts: the jobs, the authority to do those jobs, the grouping of jobs in a logical fashion, for example, into departments or divisions, the manager's span of control, and lastly the mechanisms of coordination. The first four of these parts are normally shown in an organization chart. The last is usually described in the firm's operating policies and procedures.

The organization structure should be designed to fit the intended strategies (Birnbaum, 2007). The author posits that strategy execution would face challenges or even fail if the structure does not enable clear assignment of responsibilities the respective teams. Koseke (2003) affirms that organizations structure should be compatible with the strategy. Given that the strategy is adjusted to respond to changes in the business environment, the organization structure should be attuned to address any incongruence between the structure and strategy

Ngéno (2013) asserts an organization is best suited to attain its strategic objectives if the organization structure aligns with strategic objectives. The author posits that an appropriate organization structure should support the organization effectiveness in compliance with regulations and satisfy customer expectations. The nature of organization structure affects how organizations respond to competition, technological changes, economical changes and socio-cultural changes.

2.3.3. Systems

Leinwand and Mainardi (2016) describe the pivotal role played by systems in addressing the strategy execution gap. Companies need to move from reacting to market changes to continuously re-imagining their capabilities and create a demand for them – getting in front of change. This can be achieved by having systems that understand the customers, pre-empting their needs and re-aligning the industry around your strengths thereby pushing the market in a direction in which one can dominate.

According to Higgins (2005), systems and processes are critical in determining how to get things done on day to day basis. Within the organizational system there are sub systems like strategic planning systems, information systems, capital budgeting systems, manufacturing processes, reward systems and processes, quality-control systems and processes, and performance measurement systems.

Aum (2014) highlights challenges in operating systems at Jubilee Insurance company Limited. The study identities the mutating nature of fraud, employee infidelity, processing errors, people and skills attrition as the main causes of the failures in operating systems. He underscores the importance of risk management systems in the sound management of insurance companies and other financial sector entities. The study recommends for the Insurer to adopt more current fraud management methods as well as initiate greater involvement of employees in identification and management of risk.

Norton (2008) highlights the need to have an integrated system to support strategy. This introduces a holistic view on all systems running an organization as opposed viewing systems as to a series of diverse projects performed in different parts of the organization.

Leinwand and Mainardi (2016) address systems and processes by highlighting how companies should translate the “strategic” into the “everyday”. This entails moving from across-the-board functional excellence and endless bench marking to building unique cross-functional capabilities that fit the strategic goals of the organization. Such a system is able to weave the organization’s individual skills and talents together with large scale infrastructure, operations, and technology to produce something that is hard to copy. Case in point is Zara, the Spanish clothing brand that has perfected its capabilities in leading designs and rapid response manufacturing to allow it to deliver 36,000 new designs a year across 1,900 stores around the world.

2.3.4. People

Li, et al (2008) identify five people-oriented factors that affect strategy execution; these are the people as executors of the strategy, the communication activities (including content and style), implementation tactics, consensus both within and without the organization, and commitment to the strategy.

The impact of people on the strategy execution gap is further expounded by Higgins (2005) in a study that established leadership or management style as a factor in strategy execution. The study identified aspects around the way leaders or managers presents, communicate, and control the people or situation, how effective the decision-making process is, the style of leadership applied (authoritarian, consultative, consensus or democratic) and change management.

In their report, PWC (2014) presents their findings on their performance alignment tool used to address alignment gaps. From their 17th annual global CEO survey, they found that different functions in the organizations in the United States of America show varying degree of preparation towards change. The executive office showed the highest level of preparedness for change at 63% while the finance function was second at 50%. The sales and ICT departments which are considered critical enablers of change were at 33% and 32% respectively. The Research and development department, which is considered the engine of business innovation and tomorrow's growth showed the least preparedness at 20%. The research further indicates that one of the top reasons for this inconsistency in an organization's level of preparation for change is misalignment between their strategic intent and operational execution.

Higgins (2005) also expounds on staff by considering the number and types of employees in view of the types of individual and group competencies the firm needs to meet its strategic purposes. He presents the main consideration on staffing as creating an appropriate management inventory or human asset in an organization and the need to synergize with strategic change or strategic intent.

A joint study by Renaissance Solutions, Inc., CFO Magazine and Business Intelligence (1996) concluded that 95% of the typical workforce does not understand the strategy, an indication of low awareness which contributes to the strategy execution gap.

2.3.5. Alignment

Alignment is critical in strategy execution. Higgin (2005) elaborates this by pointing out the need for organizations to put in place adequate resources to achieve its strategy. He identifies the most critical resources to be people, technology and

money. He further highlights the need for an organization to leverage its resources to achieve resource-strategy compatibility.
This view is similar to the findings of PWC (2014) who interviewed 501 respondents – predominantly C-suite executives and senior managers – representing companies from six continents that ranged in revenue from $500M to over $10B. The survey posed a question to these executives: "what one thing would make the most difference to closing the strategy execution gap at your company, if it were resolved?" From the responses received, the study concluded that the one thing that would contribute most to closing the strategy-execution gap is creating better alignment behind the strategy. Other reasons identified as contributing to the strategy execution gap were conflicting priorities and not focusing on execution.

Alignment entails allocation of resources to support strategic goals. This is according to Leinwand and Mainardi (2016) who suggest that companies need to move from across-the-board cost cutting, to reducing expenditure only on areas that do not support strategic goals. Adequate resources should be channeled to the unique capabilities even in times of recession to enable the companies survive and excel. When times are good, organizations do not dilute their investment funds by making bets on dozens of new projects; instead they identify areas they are most likely to succeed and focus their investments there. When times are tough, they don't completely stop spending money across the board; instead they find ways to double their strategic priorities and cut everything else.
Alignment is also addressed in joint study by Renaissance Solutions, Inc., CFO Magazine and Business Intelligence (1996) which concluded that there is a mismatch of resource allocation as represented in their findings that 60% of organizations do not link budget to strategy. Such mis alignment contributes to strategy execution gap

The study also indicated a weak link between governance and strategy as evidenced by the fact that 44% of board directors cannot identify the key drivers of value in the companies they govern. On executive agenda, the study showed low levels of connection as 85% of executive teams spend less than one hour per month discussing strategy. The study also showed a weak link between incentives and strategy as 70% of organizations do not link middle management incentives to strategy. Lastly, the study indicates that 55% of HR organizations deal only with operational priorities.

According to Leinwand and Mainardi (2016), alignment is anchored on committing to an identity and then allocating resources to pursuing it. Companies should take a step back from just chasing growth to defining it first. This entails identifying their unique capabilities that give a clear-mind about who the company is, what they do best and then doing it. The authors point to Apple's founder Steve Jobs' response to competition with Microsoft: "Apple had to remember who Apple was," not try to beat Microsoft. Companies shed the products, services, or entire businesses that don't fit, and they expand only to markets and businesses where their most distinctive capabilities apply.

Alignment is also influenced by organizational culture which defines the values shared by members of the organization that make it different from other organizations (Higgins 2005). The author explains that shared values operate at intangible level and has significant impact on the working environment of an organization. Culture as an alignment subject is also highlighted by Leinwand and Mainardi (2016) who argue that companies need to put their culture to work. Instead of fighting culture, organizations pursue a form of cultural intervention called the "critical few". This entails taking a subtle approach to culture alignment by identifying and empowering critical few cultural behaviours, critical few attributes of the enterprise, critical few managers and employees to champion the organization's strategy. This enables organizations to move from endless shuffle of people and systems in an attempt to have a perfect culture to identifying and leveraging the different aspects of culture that support the strategy among its team. This in turn lets people bring their own emotional energy to an enterprise where they feel they have a stake.

2.3.6. Strategy execution in Kenya

Strategy execution in the Kenyan context follows a similar trend as other parts of the world. In her case study titled Kandie (2009) highlights challenges encountered by Kenya Reinsurance Corporation in implementing their strategy. The inherent challenges include the amount of time required to formulate, implement and control the strategic plan, as well as the need to align people around the strategy process. Further, Kenya Reinsurance Corporation faced the challenge of restrictive regulations and policies under which state corporations operate. The complex, unpredictable and unstable operating environment led to a reactive response to strategy implementation challenges as opposed to a proactive response.

Elwak (2013) acknowledges the poor implementation of strategy that led to failure of the strategy for Mazars Kenya. The study concluded that the strategy implementation failed because of the low influence of managerial actions in allocation of resources. Further, the study established that reward management influenced employee participation in strategy implementation. For Mazars, economic challenges which included; taxes, inflation and exchange rates also had an influence on strategy implementation.

Njeru (2012) also highlights causes of strategy execution gap at Equity Bank of Kenya. The study highlights five factors that contributed to the strategy execution gap namely: inadequate communication, market learning capability, scale of entrepreneurship, lack of adequate resources and type of leadership.

2.4. Team roles in strategy execution

Strategy execution can be viewed as moving into new frontier proposed at the strategy planning stage. In such cases, teams need to transfer their knowledge and expertise in executing strategy. This requires participants to transform their own existing knowledge into new knowledge that complements and stimulates the knowledge transformation of others, in a process of mutual influence and collaborative emergence.

Teams from various functional areas in an organization have different expertise. This calls for them to appreciate how their knowledge and assumptions affect other team members. Majchrzak, More and Faraj (2012) recognize this fact and points out that different teams should reconsider their own assumptions and how those assumptions relate to the assumptions of others. Further, the problem-solving process requires individuals to repeatedly transform and integrate their knowledge with others.

Higgins (2005) introduces two practices that assist the organizational departments to address day to day operations: the internal customer philosophy and cross-functionalism. The internal customer philosophy recommends departments should treat each other as an internal customer in order to promote inter-departmental harmonious relationship. On its part, cross-functionalism places greater emphasis on the interaction and cooperation of specialized functional units to achieve organizational stability and cohesion. One such technique to promote cross-functionalism is of job rotation which provides an all-round view of the various departmental functions.

The roles for the various departments in strategy executions are highlighted in the next section.

2.4.1. Chief Executive Officer

The primary role of the CEO is to carry out the strategic plans and policies as established by the board of directors. Li, et al (2008) highlight the important figurehead role of the CEO in strategy implementation. This is done by assembling a team in various disciplines and motivating them to play their respective roles effectively. The role also advises the board on matters relating to the organization and plays an interface role between the board and employees. Key is to ensure both the staff and board have sufficient and up-to-date information.

The CEO takes a leadership role in propelling the vision and mission of the organization looking to the future for change opportunities. The role oversees the day-to-day operations of the organization with key decisions resting with this function.

2.4.2. Marketing

Keller (2016) defines marketing as an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.

The author further highlights eight roles marketing plays in the organization. First, is to develop marketing strategies and plans which seek to identify potential long-term opportunities that align to the organization's core competencies and market experience. Related to this role is capturing market insights by closely monitoring the environment to assess market potential and forecast demand.

Thirdly, marketing entails connecting with customers through a thorough understanding of their needs and establishing an appropriate balance of price, place, promotion and price that respond to the customer needs. Another role played by the marketing team is building strong brands through market segmentation and appropriate positioning strategy.

The fifth role for the marketing team is creating value through product quality, design, features and packaging. After value is created, the role extends to delivering the value to the target market through channel activities that make the product available and accessible.

Marketing also encompasses communicating the value embodied by its products and services through an integrated marketing communication program that maximizes the individual and collective contribution of all communication activities. Lastly, the marketing function entails building capabilities of implementing marketing plans with a long-term view.

2.4.3. Operations

In their book, Slack & Lewis (2008) define operations as the activity of managing the resources and processes that produce and deliver goods and services. They further identify four key roles operations function plays in strategy: it can reduce costs of producing products and services by efficient transformation of inputs into outputs. Secondly, operations can increase revenue by promoting outstanding customer satisfaction through providing exceptional quality, responsiveness, reliability and flexibility. Thirdly, operations can reduce the amount of capital employed in producing goods and services by increasing the effective capacity of the operation and innovative use of physical resources. Lastly, operations can build a solid base of operations-based capabilities, skills and knowledge that provide basis for future innovation.

2.4.4. Underwriting

Macedo (2009), presents the central role of the underwriter as creating homogeneous portfolios by evaluating and accepting risks that create a homogeneous pool.

The author presents the flow of the underwriting function in insurance: first is insurance application which ensures sufficient and relevant information is gathered to assess the physical and moral risk. This is followed by risk assessment which entails classification of risk according to its likelihood of occurrence. This extends to ensuring insurable interest exists, addressing legal issues and review of medical conditions for medical insurance.

Underwriting also entails determine the conditions under which the risk will be accepted. This is referred to as insurance acceptance. The role confirms that appropriate premium rate is charged, and necessary exclusions factored in depending on the risk profile. Once the risk is accepted underwriting follows up with risk management. Here, the underwriting team studies claims experience, develops underwriting audits for clients, creates and maintains underwriting guidelines and manuals.

The author identifies product development as a key underwriting role which anticipates that the underwriter works closely with the actuary to determine the risk profile of each risk type, develops precise underwriting rules and input into pricing decisions by the actuarial team.

On a day-to-day basis, the underwriting function is involved in the administration aspect in operations which entails granting and removing underwriting authority to the different underwriting departments and individuals.

Lastly, the author explains reinsurance as a specialized underwriting function that entails determining the risk to retain within the insurance company and the portion to pass on to reinsurers. This is based on assessing the capacity of the insurance company to absorb risk and negotiating a treaty with reinsurers to cover the insurance company with the portion of risk that exceeds the latter's capacity

2.4.5. Claims

The clams function is separated for the underwriting function to avoid conflict of interest arising from underwriters who may be reluctant to accept a claim from business they earlier accepted (Macedo, 2009).

Aquila & Schrenk (2011) present the flow of the claims function in an insurance company. The claims process starts with the notification by the insured that the risk has crystalized. This prompts the claims team to verify that the policy is in force and that premiums are settled before creating a claim file.

The claim is then assigned to a loss adjuster who investigates the claim and assesses the extent and value of any loss. This task is aimed at determining the fair amount to settle for each claim. A key role of the claims team is investigating the facts related to claims suspected to be fraudulent. This is typically an area that causes delays in the claims processing cycle as it involves gathering sufficient information to proof the circumstances around the loss

The claims function also plays a liaison role between the Insurance company and the service providers (garages, lawyers, hospitals). This includes negotiating the cost of services to fulfill the claim. The claims team is also involved in negotiating settlements with clients directly or through the legal department in cases where the matter has resulted in a lawsuit. The final step in the claims management process is settlement of the claim. The claims team coordinates with the Finance team to ensure payment is made accurately and promptly.

According to Macedo (2009) the claims team should have a basic understanding of risk assessment as they review the claim documents and the original underwriting documents. They are to provide a full and fair assessment of the claim by checking the contractual and legal matters pertaining to a claim.

2.4.6. Finance

Responsibilities for the Finance function call for strong controls, accurate and timely reporting and sound counsel on financial matters. In their report titled 'The changing role of the CFO', ACCA (2012) identify nine emerging challenges that the modern-day finance profession needs to develop. These are regulation, globalization, technology, risk, transformation, stakeholder management, strategy, reporting and talent capability.

Under strategy, the CFO plays a key role in formulation as part of the executive team. The finance function however extends beyond the strategy formulation role to strategy validation through exceptional analytical skills as well as execution through more effective processes, tools and methodologies – scorecards, KPI measurements and external market indicators – to support delivery and measure the success of any business course of action. Further, tomorrow's CFOs will need skills to integrate and acclimatize the finance processes of the organization to the support strategy execution.

In another study, IBM (2010) conducted a study on the role of the finance function in strategy execution. Their study presented the concept of value integrators - the ability of the finance function to excel in two key areas: finance efficiency and business insight. Finance efficiency is made possible by four enablers namely: standardized and efficient finance processes, data integrity and governance, standard financial chart of accounts and reporting and finally globally mandated and enforced standards. On the other hand, Business insights, thrives of three enablers namely analytical capability to support operational planning and forecasting, talent management and technology-driven operations. CFOs equipped with these two skills are capable of successfully managing and effectively executing a broader agenda while helping the entire enterprise become more agile, flexible and responsive to market fluctuations.
Value integrators move further to uncover insights by looking horizontally across the enterprise and externally as well. They must be talented influencers backed by sophisticated analytics and modeling capabilities that allow them to provide fact-based advice on the most strategic decisions confronting the business.

2.4.7. Human Resource and Administration

The Human resources team is responsible for handling the people aspects in the organization. The function acts as an ambassador and role model for everything the organization stands for.

In their book, Noe, Hollenbeck, Gerhart & Wright (2014) present human resource team as credible activists: the ability to build trusting relationships, influence others, provide candid observation, share information and deliver results with integrity. Secondly, the function acts as the organizational designer tasked with developing talent, designing reward systems and shaping the organization.

A joint study by Renaissance Solutions, Inc., CFO Magazine and Business Intelligence (1996) confirms that 55% of HR organizations deal with operational priorities. This underpins role of the human resource professional in being an operational executor, a role that entails implementing workplace policies, advancing HR technology and administering day-to-day work of managing people.

The human resource team also plays the role of strategic architect charged with recognizing business trends and their impact on the business and developing people strategies that contribute to the business strategy. Fourth is the need to be a business ally who understands how the business makes money. Another critical skill is being the cultural and change steward who facilitates change, develops and values organizational culture and helping employees navigate the culture of the organization. (Noe, et al, 2014).

In their report titled 'Human capital trends in the insurance industry', Deloitte (2016) highlights ten trends that, although common across several industries, will contemplate and opine on the unique implications for the insurance industry. These include leadership, learning and development, culture and engagement, workforce on demand, reinventing HR, people data everywhere, HR and people analytics, simplification of work, and machines as talents.

2.4.8. Information and communication technology (ICT)

Laudon & Laudon (2016) exemplify the strategic role of information communication and technology. The first is the continuous need to achieve operational excellence through improved efficiency and productivity. Secondly, organizations invest in ICT as an enabler to create new products and services and in some cases they create entirely new business models. The authors continue to explain the third role of ICT as creating customer and supplier intimacy. ICT enables a business to know their customer so well thereby enhancing personalized services to them. From the supplier side, ICT enables organizations to establish firm supply chains thereby securing vital inputs. Fourthly, ICT enables businesses to make informed decisions by availing the right information, to the right people at the right time. Lastly, ICT plays a key role in in providing the necessities critical for survival of organizations.

When an organization achieves one or more of these business objectives, chances are they have already achieved competitive advantage; the ability to do things better than their competitors.

2.4.9. Team relationships in strategy execution

The departments do not operate in isolation during the strategy execution process. Smith (2011) presents strategy execution as a complicated and time consuming strategic management component that cuts across all facets of management. He argues that strategy execution depends on performing a good job with and through others, and this needs to be initiated from many levels and areas inside the organization. This exemplifies the involvement of cross-functional teams in strategy execution.

There are aspects that cannot be easily established in the relationships between various teams in organizations. Prabhu (2011) highlights the challenge faced by managers in this respect: common management practices in areas like performance appraisals, teamwork and diversity along with experiences of managers indicate that practices and theory are not in agreement with each other. The practice of management is characterized by its ambiguity that leaves the managers mostly with the messy stuff – the intractable problems, the complicated connections. And that is what makes the practice of management so fundamentally 'soft' and why labels such as experience, intuition, judgment, and wisdom are commonly used for it (Mintzberg, 2004).

The relationship between differing team members can be enhanced positively in cases where their approach to strategy execution is similar. Every time a team member realizes that the other team members share his or her task model, this confidence will be reinforced. As a result, the team members' willingness to critically examine the premises underlying their actions will decline.

One of the causes of hitches between the various teams is knowledge differences. According to Majchrzak et al (2012), cross functional teams face a critical problem of collaborating in a manner that transforms their specialized knowledge into an integrative solution. The authors posit that knowledge differences impede the work of cross-functional teams by making knowledge integration difficult, especially when the teams are faced with novelty. The study goes further to present the transverse approach for overcoming difficulties in knowledge differences that impede the work of cross functional teams. The approach emphasizes deep dialogue where team members identify, elaborate and then explicitly confront the differences and dependencies across the knowledge boundaries. Teams establish practices characterized by avoidance of interpersonal conflicts, fostering the rapid co-creation of intermediate frameworks, continued creative engagement and flexibility to repeatedly modify solution ideas, and fostering personal responsibility for translating personal knowledge to collective knowledge. (Majchrzak et al, 2012).

2.5. Knowledge gaps in previous research.

This section looks at how this study relates to previous studies and identifies knowledge gaps in previous research.

Cater and Pucko (2010) posits that reasons for low success rate in strategy implementation have been studied over time. These can be classified into five broad categories: problems in strategy formulation, change management problems, organizational culture problems, problems related to organizational power structure and leadership problems.

Smith (2011) carried out a research among South African companies and concluded that organizations fail to successfully implement strategies due to weak management roles in implementation, a lack of communication, lack of employee commitment to the strategy, and an unaligned organizational structure and culture. The study continues to shed light on the need for senior executives to frequently reformulate strategy to adopt to changes that are responsive to increasing complexity in the business environment.

Hrebiniak (2005) identifies four challenges to strategy execution: the culture of the organization, inappropriate incentives structure, the traditional functional "silos" in the organization's structure and lastly the challenges inherent in managing change. The author further expounds on these factors: the culture of an organization poses a challenge when it is not suited to tackle the challenges that arise during strategy execution. On their part, incentive structures pose a challenge when they are not perceived as fair and commensurate to the input of each team player. Thirdly, traditional functional “silos” encourage focus on their own domain without regard to other teams in the organization. Lastly, the inherent challenges in managing change present a challenge in strategy execution. The third challenge on traditional problems arising due to traditional functional "silos" in the organization's structure is consistent with the thrust of this study. Further, it offers an opportunity to explore the subject further in the Kenyan context.

The studies by the three authors are consistent in two aspects that contribute to strategy execution gap: organization culture problems and organization structure problems. Further, Hrebiniak (2005) and Cater and Pucko (2010) are consistent with one other factor, the change management problems.

For the purpose of this study, the drivers of strategy execution presented from the literature review have been grouped into four: people, alignment, systems and structure.

2.7. Conceptual framework

Figure 2.1 shows a graphical representation of the proposed conceptual framework.

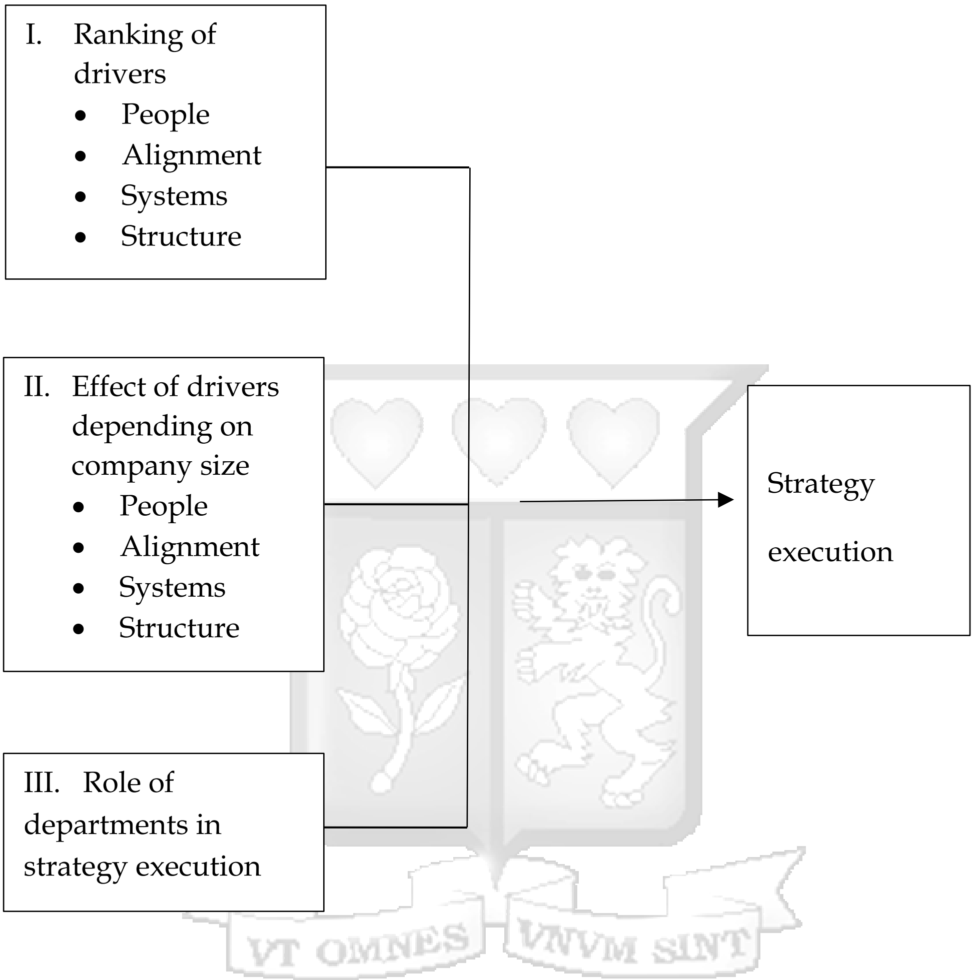


Figure 2.1 Conceptual framework

Variables

People refer to leadership/management styles, decision making process, staff competence and strategy implementation tactics

Alignment refers to availability of adequate resources - i.e. people, money and technology - and shared values/organization culture

Structure refers to the specific jobs; the authority to do those jobs; the grouping of jobs in a logical fashion, spans of control and coordination through policies and procedures

Systems refer to how to get things done from day to day. For instance, strategic planning systems, underwriting and claims systems, information systems, budgeting systems and performance measurement systems Resource based.

Size of the insurance company refers to the market share of the respective company. There was a compulsory question on the insurance company each respondent is affiliated to or was last affiliated. The study used this information to obtain the market share of each company from the IRA records.

Role of departments in strategy execution captures the responsibilities held by the various functions who play a role in execution of strategy in an insurance company.

Strategy execution is the process of translating strategic plans into action

2.8. Summary of literature review

Table 2.1 summarizes the contributions of the various authors in the literature review

Researcher	Main contribution
Li, Guohui, & Eppler (2008)	Define strategy execution as a **dynamic, iterative and nonlinear process** comprising of a series of decisions and activities aimed at actualizing strategic intent.
Omeike, (2015)	Strategy execution is influenced by the way organizations implement **action plans** to advance strategic intent.
Birnbaum, (2007)	Strategy execution would face challenges or even fail if the **structure** does not enable clear assignment of responsibilities the respective teams.
Grant (1991)	**Resource-based theory** of competitive strategy is implemented through a five-stage framework: analyze resources, appraise capabilities, analyze competitive advantage, select strategy, and identify resource gaps.
Ngéno (2013)	An organization is best suited to attain its strategic objectives if the **organization structure** aligns with strategic objectives.
Norton (2008)	Introduces a holistic view on all **systems** running an organization as opposed viewing system as to a series of diverse projects performed in different parts of the organization
Aum (2014)	Highlights challenges in operating **systems** at Jubilee Insurance company Limited.
Bregman (2017)	"However hard it is to devise a smart strategy, it's ten times harder to get **people** to execute on that strategy. And a poorly executed strategy, no matter how clever, is worthless"
PWC (2014)	One of the top reasons for inconsistency in an organization's level of preparation for change is misalignment between their strategic intent and **operational execution.**
Higgin (2005)	Need for organizations to align put in place adequate resources **aligned** to its strategy. He identifies the most critical resources to be people, technology and money.

PWC (2014)	Interviewed 501 respondents – predominantly C-suite executives and senior managers concluded that the one thing that would contribute most to closing the strategy-execution gap is creating better **alignment** behind the strategy.
Leinwand and Mainardi (2016)	Instead of fighting culture, organizations pursue a form of **cultural** intervention called the "critical few". This entails taking a subtle approach to culture alignment by identifying and empowering critical few cultural behaviours, critical few attributes of the enterprise, critical few managers and employees to champion the organization's strategy.
Various contributors	Teams roles in strategy execution
Smith (2011)	Presents strategy execution as a complicated and time consuming strategic management component that cuts across **all facets of management.**
Majchrzak et al (2012)	Cross functional teams face a critical problem of **collaborating** in a manner that transforms their specialized knowledge into an integrative solution.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter will cover research design, population and sampling, data collection and analysis and ethical considerations.

3.2 Research design

This was a descriptive study which took on a quantitative approach. Numerical data was collected using a Likert scale and it was employed in the generation of descriptive representations and inferential deductions from the data. A quantitative approach was employed for the study as it allowed for generalization of results following objective techniques of analysis (Croswell, 1994).

3.3 Population & sampling

The study was based on the insurance sector with focus on insurance companies. The population was the 53 Insurance companies regulated by the Insurance regulatory authority. (IRA report, 2017).

The population was stratified based on the market share of the insurance companies as listed by IRA. Companies in the top half of the IRA listing were categorized as group 1 while those in the bottom half of the IRA list were categorized as group 2. Simple random sampling was used to reach at least 60 responses in total, with 30 responses from group 1 and 30 from group 2.

The unit of measure is the insurance company.

3.4 Data Collection methods and tools

In this research, primary data was be collected using a self-administered questionnaire addressed to the heads of departments and their assistants. These are the people responsible for strategy implementation and are therefore appropriate to provide the relevant data.

3.5 Data Analysis

Descriptive statistics was used to establish the ranking of the four factors deemed contributory to the strategy execution gap; this will address the first objective of the study

The second objective was addressed by comparing the mean, median and standard deviation of the four drivers. Mann-Whitney U test was conducted to assess the difference in responses among the three categories under study. Mann-Whitney U test was preferred in the analysis as it is robust to violations of the parametric distribution of data – a necessity for the alternative paired t-test (Corder & Foreman, 2014).

To address the third objective of the study, the mean responses for each category were compared. In addition, a spearman's rank correlation test was conducted to establish the correlation between the departments and the perception on the overall strategy execution gap. Spearman's correlation test was preferred in analysis as it is a non-parametric correlation assessment tool and hence is suitable for assessment of the strength and association of variables without the assumption of a linear relationship as is the case with the alternative Pearson's correlation approach (Pirie, 1988).

3.6 Data Representation

The data was represented using tables, graphs and correlation matrix.

3.7 Research Quality

Data quality covers validity, reliability and objectivity. This study was designed to have internal validity in that the findings supported accurate conclusions. External validation was addressed as the results were generalized to other Insurances in the population.

Reliability was addressed by use of a standardized data collection tool that can be replicated. The questionnaire was piloted successfully.

Objectivity was addressed by the stratified sampling that allowed collecting of data from Insurance companies with varying market shares.

Overall, the survey questionnaire was designed to avoid any biases or inaccuracies in gathering and analyzing the data and in drawing conclusions on the study. The survey had clear instructions to guide the respondents on the questionnaire.

3.8 Validity and Reliability

3.8.1 Validity

To ensure validity in the study, a pilot test involving 10 respondents was collected to assess the congruency between research and respondent understanding of the questions involved (Tavakol & Dennick, 2011). Responses from the pilot study indicated that most questions were well understood except for the need to include more departments in the section assessing inter-departmental factors affecting the strategy execution gap. The requested changes were incorporated before the final questionnaire was distributed.

3.8.2 Reliability

To assess the reliability of the scales used, Cronbach's alpha values were calculated. All scales presented rating above 0.6, hence all scales were deemed reliable Creswell (2008). The results on reliability of the scales are presented in table 3.1.

Table 3.1 Reliability test

Scale	**Cronbach's Alpha**
Factors influencing strategy execution	0.799
Sales, Marketing and Customer service	0.87
Underwriting	0.81
Claims	0.77
Finance	0.91
Human Resource	0.86
Information and communication technology	0.83

3.9 Research Ethics

Given the possible financial implications of the data collected from the companies, it was deemed necessary to ensure anonymity in responses; as such each questionnaire was devoid of any compulsory questions that would identify the individual under study. The study makes it clear that participation in the study is purely on voluntary basis.

The collected data was held in confidence at all times even after the survey is concluded. The findings were generalized to the various categories to avoid negative implications for participating companies. The study observes all rules around plagiarism and falsification of data.

CHAPTER 4: PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

This chapter presents an interpretation of the findings resulting from the data collected. This section is divided into three main parts – response rate, descriptive statistics; and research objectives.

4.2 Response rate

The study sample was set to 60 with a minimum of 30 respondents from each of the two groups of insurance companies. A total of 52 respondents was achieved which translates to a 88% response rate. Given that the average response rate for studies involving individuals is 52% (Baruch & Holtom, 2008), the sample was found satisfactory for the purpose of making inferences on the relationships between the variables in the study.

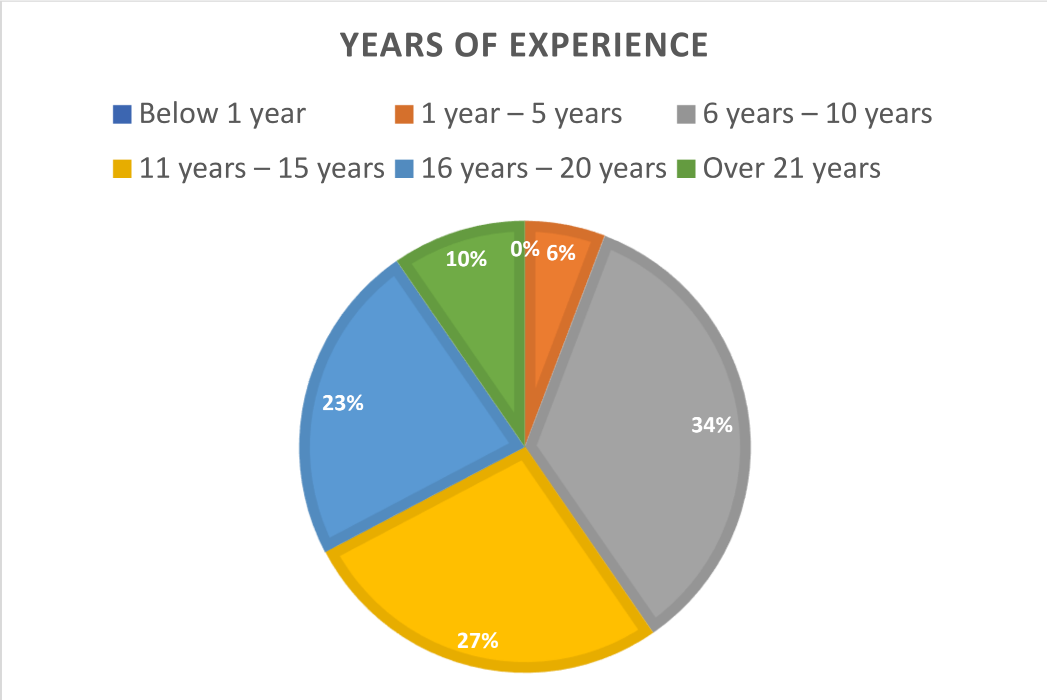
4.4 Descriptive Statistics

This section provides summative representations of data collected under section A of the questionnaire. Section A was on profile of the respondents.

4.4.1 Years of work experience

As depicted in figure 4.1, the largest proportion of respondents had six to ten years of work experience with a mode of 18 respondents. This was followed by respondents with eleven to fifteen years and then sixteen to twenty years. None of the respondents had less than one year of experience.

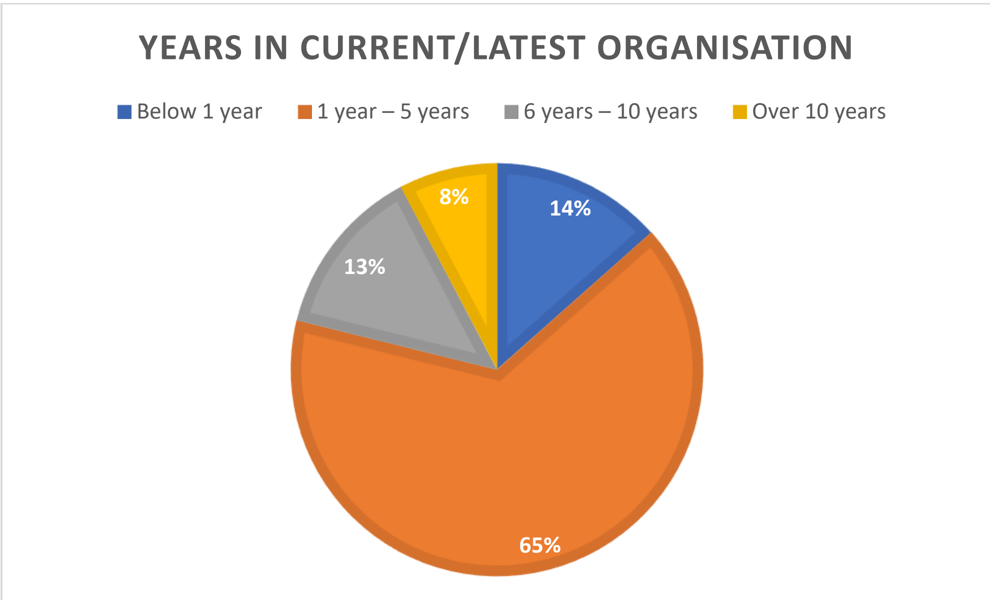
Figure 4.1 Years of experience



4.4.2 Years in current/latest position

The modal category for this variable was one-to-five-years with 34 respondents. Categories "Below 1 year" and "6 years – 10 years" had seven respondents each. Only four respondents had been in their current positions for more than 10 years. This is depicted in Figure 4.2 below.

Figure 4.2 Years in current/latest position

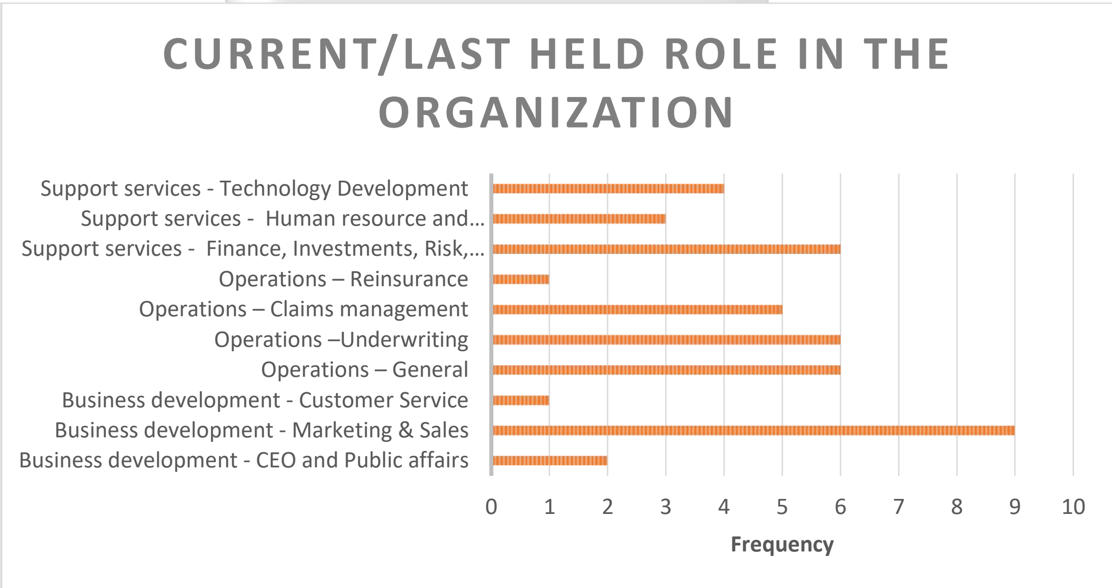


4.4.3 Current/last held role in the organization

The modal category for this section was Marketing & Sales with nine respondents. Operations, Underwriting, and Finance, Investments, Risk, Actuarial & Legal, had six respondents each whereas Claims management, had five respondents. Human resource and administration, Technology Development, had three and four respondents respectively. Two respondents reported their positions as CEO and Public affairs. Customer Service and Reinsurance had one respondent each.

Figure 4.3 provides a graphical representation of the proportions by category.

Figure 4.3 Current/last held role in the organization



4.4.4 General perception of strategy execution

Most respondents perceived their companies as being effective in strategy execution. This is as depicted in the modal category of response for the question assessing the item - 4 (agree). Only one respondent was of the view that his/her organization did not do well in strategy execution. Figure 4.4 provides a summary of responses.

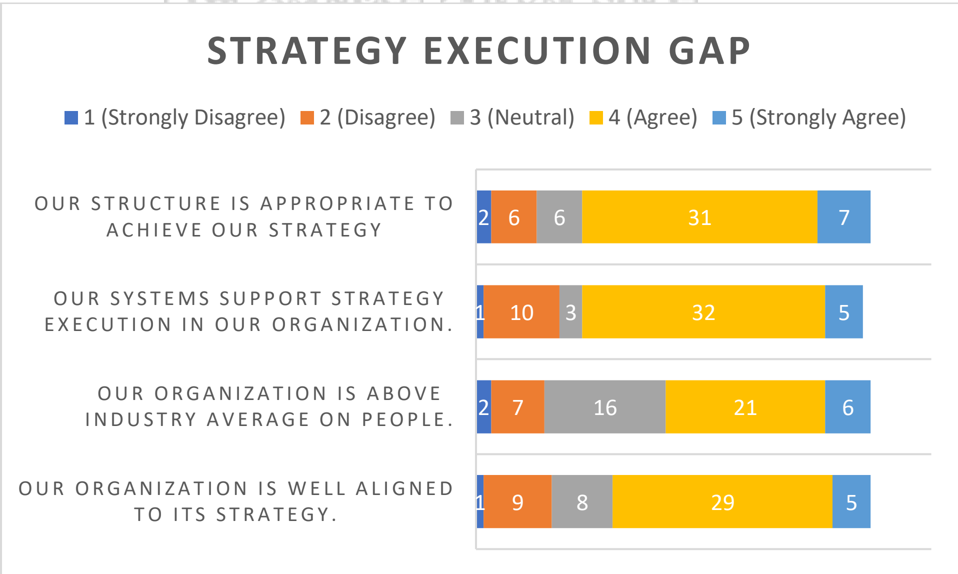
Figure 4.4 General perception of strategy execution

4.3 Analysis of Research objectives

4.3.1 Ranking of drivers of strategy execution gap

To address the first objective of the study, the arithmetic mean was computed for each driver. Figure 4.5 provides a summary of the responses for each question posed with an aim of determining the four constructs deemed responsible for the strategy execution gap.

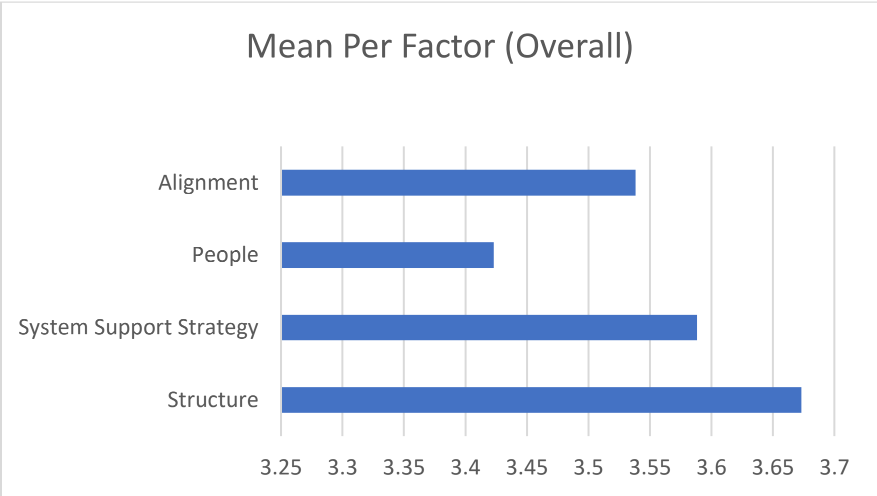
Figure 4.5 Strategy execution gap responses



For each question, it emerged that response "4 (agree)" was the most frequently cited (the highest mode) and therefore, in general, most respondents indicated that their companies did not have significant shortfalls in the four constructs established as main causes of the strategy execution gap.

To determine the ranking of the factors, the arithmetic mean of the responses for each of the questions assessed and presented in Figure 4.6 below.

Figure 4.6 Drivers comparison by arithmetic mean

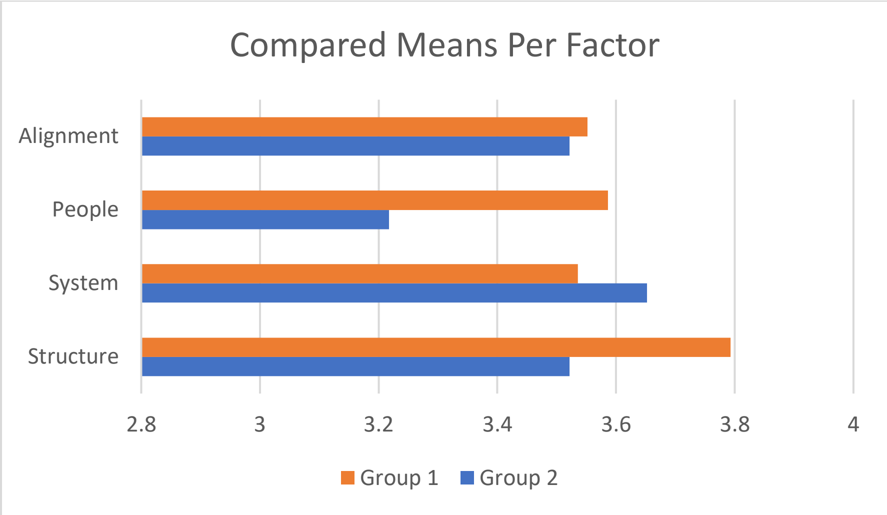


Of the four drivers, the greatest contributor to the strategy execution gap was viewed to be “people” (mean of 3.4) while “structure” (mean of 3.7) was the least contributory to strategy execution gap.

In assessing the responses by group of insurance company, "system" was viewed most contributory to the strategy execution gap by members of group 1 (mean of 3.2) while those of group 2 viewed “people” as the most significant contributor to the gap (mean of 3.5). Group 1 insurers however viewed “structure” as the least important contributor (Mean of 3.8) whereas group 2 respondents viewed that “system” as the least contributory to the strategy execution gap with a mean of 3.7.

Figure 4.7 presents a graphical comparison of responses per group.

Figure 4.7 Comparative means per group



4.3.2 Difference in perceptions among insurance companies.

To address the second objective of the study, a Mann-Whitney U test was conducted in order to assess whether responses provided by the two groups were statistically different. Results from the test are presented in table 4.2 and 4.3 below.

Table 4.2 Factors Descriptive Statistics – Mann-Whitney Test

Ranks				
	Groupings	N	Mean Rank	Sum of Ranks
Structure	1	29	28.00	812.00
	2	23	24.61	566.00
	Total	52		
Systems	1	28	25.66	718.50
	2	23	26.41	607.50
	Total	51		
People	1	29	28.93	839.00
	2	23	23.43	539.00
	Total	52		
Alignment	1	29	27.03	784.00
	2	23	25.83	594.00
	Total	52		

Table 4.3 Factors – Test statistics

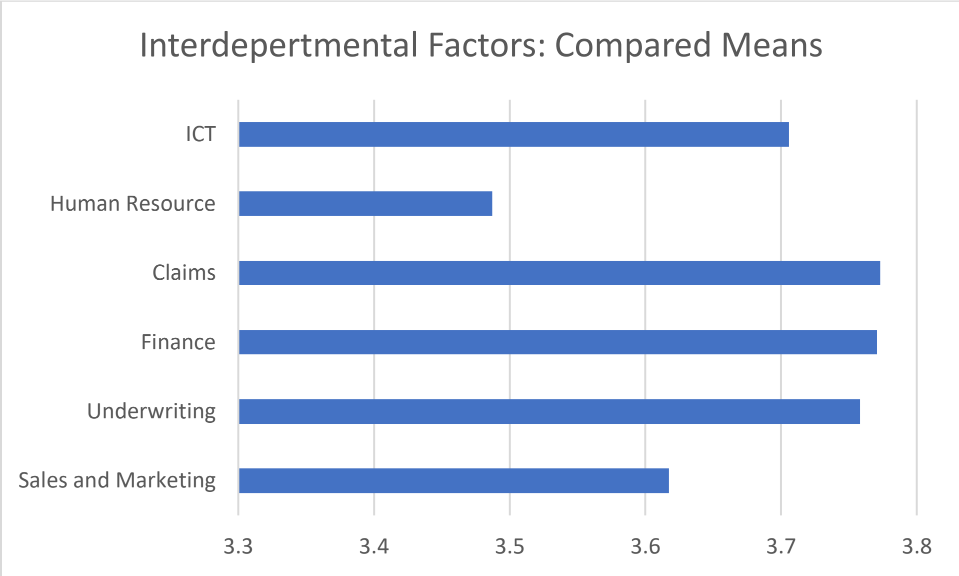
Test Statistics[a]				
	Structure	**Systems**	**People**	**Alignment**
Mann-Whitney U	290.000	312.500	263.000	318.000
Wilcoxon W	566.000	718.500	539.000	594.000
Z	-.906	-.208	-1.368	-.316
Asymp. Sig.(2-tailed)	.365	.835	.171	.752
a. Grouping Variable: Grouping				

Test statistics presented z-values of -.906, -.208, -1.368, -.316 and significance values of .365, 0.835, 0.171, and 0.752 for the variables structure, system, people, and alignment respectively. Given that none of the significance values were lower than α=0.05, it was inferred that the null hypothesis of no difference between the ranks of the two populations could not be rejected.

4.3.3 Departmental contribution to the strategy execution gap.

To address the third objective, the overall ranking of each department as viewed by all respondents were assessed to indicate the competence of each department. Figure 4.10 provides the outputted graph.

Figure 4.8 Effectiveness: Interdepartmental factors



From an internal customer perspective, the human resource department was viewed as contributing the most to the strategy execution gap in the industry. This is derived from the lowest reported effectiveness score (mean 3.48) for the department.

This was followed by Sales and Marketing with a mean of 3.62 and ICT with 3.71. Underwriting followed with a mean of 3.76 and Finance at 3.77.

Claims department was least contributory to the strategy execution gap with a mean of 3.78

To further address the final objective of the study, a spearman's rank correlation test was conducted. The correlations between the various departments with overall perception of strategy execution were assessed at α=0.05 with the strength of the correlations assessed according to the scale - .00-.19 "very weak" .20-.39 "weak" .40-.59 "moderate" .60-.79 "strong" .80-1.0 "very strong" (Liu et al., 2017). The correlation results are presented in tables 4.4 and 4.5.

Table 4.4 Correlations between departmental factors and overall perception

			Sales and Marketing	Under writing	Claims	Finance	HR	ICT
Spearman's rho	Overall, my organization does well in strategy execution	Correlation Coefficient	**.345***	.232	**.475***	**.499***	**.557***	**.351***
		Sig. (2-tailed)	0.012	0.098	0.000	0.000	0.000	0.012
		N	52	52	52	51	52	51
*. Correlation is significant at the 0.05 level (2-tailed).								

With the exception of underwriting, all departmental responses were deemed correlated with overall perception of the strategy execution gap at α=0.05. The correlations were however weak to moderate with the strongest correlation being between human resource responses and overall perception of the strategy execution gap.

All four factors were correlated with the overall perception of the strategy execution gap at α=0.05 with the first three – structure, system and people, being weakly to moderately correlated. Alignment was however highly correlated with the overall perception of the strategy execution gap.

Table 4.5 Correlations between main factors and overall perception

Correlations						
			Structure	**System**	**People**	**Alignment**
Spearman's rho	Overall, my organization does well in strategy execution	Correlation Coefficient	.368**	.370**	.555**	.629**
		Sig.	0.007	0.008	0.000	0.000
		N	52	51	52	52

The descriptive results presented in figure 4.10 and the aforementioned correlations therefore point to human resource as the most contributory department to the strategy execution gap for the industry.

CHAPTER 5: DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the discussion of findings, followed by the conclusions and recommendations, and limitation of the study. The discussion has been presented per objective.

5.2 Profile

From the study, the results showed that the respondents were professionals with over 6 years working experience and having been with their current employers for a period ranging from 1 year to over 10 years. This means that the study captured respondents who have worked long enough to gain adequate experience on strategy execution. The respondents were drawn from various departments in insurance companies implying that the study took an all-round view of the internal customers during the strategy implementation process.

5.3 Ranking of drivers of strategy execution gap

From an overall perspective, the respondents generally agreed that that each of the four drivers support strategy execution in their respective organizations. Only two of the respondents, representing 4%, strongly agree that their organization does very well in strategy execution. This finding agrees with literature review that there exists a strategy execution gap among insurance companies.

A deeper analysis reveals that that 'people' contribute the most to the strategy execution gap. This finding agrees with an article by Bregman (2017) in the Harvard Business Review where he articulates the importance of people in strategy execution in a quote: "However hard it is to devise a smart strategy, it's ten times harder to get people to execute on that strategy. And a poorly executed strategy, no matter how clever, is worthless". A study by Kaburu (2012) agrees with the pivotal role played by people on strategy execution.

94% of the respondents have experience ranging between six years and over twenty-one years, with 60% having over eleven years work experience. The expectation would be that with such an experienced work force, the insurance companies would have fewer people related challenges. On the contrary, the results portray a different picture, a view supported by Deloitte (2016) who highlight the emerging trends that favour a flexible and innovative workforce more than traditional approaches associated with the older generation.

The findings place 'alignment' as the next factor that contributes to strategy execution gap among Insurance companies which underscores the need for insurance companies to have a clear vision and to invest resources to support it. This is in line with Leinwand and Mainardi (2016) who highlight the need for an organization to commit to an identity, identify their unique capabilities, be clear-mind about who the company is, what they do best and then doing it. Myler (2012) also highlights the need for organizations to align behaviours in order to increase the chances of success in strategy execution, a view that is in line with the findings of this study.

'Systems' ranked third in contributing to the strategy execution gap, while 'structure' was depicted to have the least contribution to strategy execution gap among the insurance companies.

5.4 Effect on drivers based on company size

The study sought to assess differences in perception of drivers of strategy execution gap based on size of the of insurance companies. Respondents from the insurance companies were stratified in terms of their market share with companies in the top half of IRA ranking categorized as group 1 and those in the bottom half categorized as group 2.

A comparison of responses between the different insurance groups indicates that the larger insurance companies are facing challenges around systems. This view that systems fall short in supporting strategy execution for the larger corporates could imply that the need for companies to ensure that operational systems grow in tandem with the company growth. Aum (2014) points to this in a study which identified operational challenges at Jubilee Insurance Limited, an insurance company with the biggest market share in Kenya.

The finding that large companies have least challenges with structures is an indication that they have more established policies and procedures to standardize their operations compared to their smaller counterparts.

On the other hand, the smaller insurance companies have challenges with people as they may not have sufficient resources to attract the right talent to manage their businesses. This is underscored by a report by Insurance regulatory authority which showed that insurance companies allocated little resources towards skills development. IRA (2012). The smaller companies have least challenges with systems as they are not big enough to require high end systems to manage complexities faced by their bigger counterparts.

From the correlation analysis, alignment showed the strongest correlation with overall strategy execution followed by people. This findings that place these two drivers are consistent with the rankings of the drivers. The results indicate that the insurance companies would have greatest impact to strategy execution by addressing alignment and people.

5.5 Departments and strategy execution

The objective sought to identify the contribution of each department to the strategy execution process. From the findings, the human resource department was viewed as most contributory to the strategy execution gap. The finding is consistent with a study by Bregman (2017) which concluded that the people management is critical in executing strategy.

A surprise finding was that claims department had the least contribution to the strategy execution gap from an internal customer perspective. This contrasts with guidelines by IRA (2012) which acknowledges the challenges faced by the industry in claims management and highlights it as a reason for low insurance penetration of insurance services. This is echoed in a speech made by the former president of the republic of Kenya, his excellency Mwai Kibaki where he highlighted claims processing as the greatest area of dissatisfaction among external customers of insurance services (Business Daily, 2011).

The findings from the correlation analysis place showed that the human resource had the strongest correlation with overall strategy execution gap. This implies that the insurance industry would address strategy execution challenges the most by addressing this department as compared to the other departments.

5.6 Conclusions and recommendations

5.6.1 Conclusions

The study concluded that people play a major role in the success or otherwise of strategy execution. This is because they carry the vision of the company and coordinate all the other drivers of successful strategy execution.

Secondly, there are differences in perception of strategy execution gap between the larger companies and the smaller ones. For the larger insurance companies, the systems that run the day-to-day operations pose the greatest challenge in strategy execution. This is because they need better systems to handle complexities that come with business growth. For the smaller insurance companies, people are perceived to contribute the most to the strategy execution gap. This is because the smaller companies may not have adequate reserves to attract the right talent to manage their businesses.

From a departments viewpoint, the human resource department is perceived to contribute the most to the strategy execution gap among insurance companies. This is because successful strategy execution in the insurance sector requires effective coordination of the people function.

Claims processing is viewed as the best performing department among the internal customers which is a surprising finding given that complains about insurance from the external customers who rank inefficient claims processing as the greatest reason for their dissatisfaction with insurance services. The constant challenge to the claims department in the insurance cycle has put it under scrutiny and this could be a possible reason why the department has a positive perception on its performance by the internal customers.

5.6.2 Recommendations

5.6.2.1 Practical implications

Being a human capital-driven industry, insurance companies should consider adopting strategies to manage human capital in terms of attracting and retaining talent that keeps abreast with the changing trends in the industry. This will call on human resource team to take a critical look at the developments in the insurance industry and craft people-management policies that respond accordingly. This is critical especially given that the workforce in the insurance industry is of the older generation and have risen through the ranks based on years of experience and may face challenges adopting to the current trends.

As insurance companies become bigger, appropriate systems should be in place to manage the day to day operations. These include: strategic planning systems, underwriting and claims systems, information systems, budgeting systems and performance measurement systems. For the smaller insurance companies who may not have adequate reserves to attract the right talent to manage their businesses, the recommendation would be for them to develop quality and affordable management trainee programs geared toward nurturing talent to grow with the company.

The study also recommends for a move towards the human resource business partner model that challenges the human resource function to link business imperatives and people strategies.

Lastly, insurance companies should consider enlightening their external customers on the process of claims management such that client expectations are managed. Future research could focus on the expectation gap between the insurance practitioners and external customers on claims processing.

5.6.2.2 Future research

Given the wide range of work experience for the professionals in the insurance sector, one possible area of future research is to explore the effect the different generations have on the strategy execution gap among insurance companies.

A second area of possible research would be to explore why the larger firms, with sufficient resources, would be experiencing system challenges.

This study places 'people' as the most important determinant in addressing the strategy execution, yet human resource, the department charged with managing people is perceived to contribute the most to the strategy execution. This could form an area of future research to explore how this department should adjust to bridge this gap.

Lastly, given that claims processing is viewed as the best performing department among the internal customers yet external customers express dissatisfaction with the claim processing future research could focus on the expectation gap between the insurance practitioners and customers on claims processing.

5.7 Limitations of the Study

Data collection was slow as respondents were reluctant to participate in the study. This can be attributed to the competitiveness among insurance companies that render players cautious with information about their respective companies. The researcher overcame this challenge through the use of personal networks and referrals in the industry to obtain the responses for this study.

Secondly, the research study was constrained by limited time to collect the data which was accentuated by respondents running busy schedules. However, the researcher overcame this limitation through consistent follow ups and reminders to the respondents. This limitation can be addressed by IRA performing similar research from time to time given the numerous changes happening in the industry. Being the oversight body mandated to formulate policy in the industry to, the data flow would be easier for them compared to an independent researcher. Such a research can play a big role in identifying the pain points for the industry and guide policy to support industry players towards increasing insurance penetration.

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Appendix

Appendix I: Letter of Introduction

Appendix II: Questionnaire

<u>Exploring the strategy execution gap among insurance companies in Kenya</u>

Introduction

I am an MBA student at Strathmore Business School and currently undertaking my research study titled: **Exploring the strategy execution gap among insurance companies in Kenya.**

In this regard, I invite you to take part in this study and would appreciate a lot if you would take some time to answer the questions in the following questionnaire. It will take you about 15 minutes to complete the questionnaire. Kindly endeavour to give a response to every question.

Please note that all information you provide in this questionnaire will be treated as strictly confidential and used solely for purposes of the research project. To protect your privacy, your identity will be coded throughout the dissertation.

Please feel free to contact me on my personal mobile 0721 887006 or email to kennon.mwiti@gmail.com at any time during this research period

Thanking you in advance

Kennon Mwiti Mbae
MBA/7613/15
Strathmore Business School.

PART A: PROFILE

Please fill in your responses by ticking in the spaces provided below or where applicable tick the answer that most closely describes you. Kindly attempt to answer all questions.

** compulsory question*

1. How many years of work experience do you have?

	Below 1 year
	1 year – 5 years
	6 years – 10 years
	11 years – 15 years
	16 years – 20 years
	Over 21 years

2. How long have you been with your current Organization?

	Below 1 year
	1 year – 5 years
	6 years – 10 years
	Over 10 years

3. Which of the following best describes your current role in the organization?

	Business development – CEO and Public affairs
	Business development –Marketing & Sales
	Business development – Customer Service
	Operations – General
	Operations – Underwriting
	Operations – Claims management
	Operations – Reinsurance
	Support services - Finance, Investments, Risk, Actuarial, Legal
	Support services - Human resource and administration
	Support services - Technology Development

PART B: STRATEGY EXECUTION GAP

Strategy execution gap refers to the variance between the organization's strategic plans and the actual execution of those plans.

This section seeks to obtain your view on the strategy execution drivers in your organization. Please provide your responses on a scale of 1 to 5, where 1 = strongly disagree, 2 = disagree, 3 = neutral 4 = agree, 5 = strongly agree.

Please fill in your answer in the spaces provided or where applicable tick the answer that most closely describes your response. Kindly attempt to answer all questions.

4. Our **structure** is appropriate to achieve our strategy.
   (Structure here refers to the specific jobs; the authority to do those jobs; the grouping of jobs in a logical fashion, spans of control and coordination through policies and procedures).

1	Strongly disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly agree

5. Our **systems** support strategy execution in our organization.
   (Systems here refer to how to get things done from day to day. For instance strategic planning systems, underwriting and claims systems, information systems, budgeting systems and performance measurement systems).

1	Strongly disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly agree

6. Our organization is above industry average on **people.**

   (People here refer to leadership/management styles, decision making process, staff competence and strategy implementation tactics).

1	Strongly disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly agree

7. Our organization is well **aligned** to its strategy.

   (Alignment here refers to availability of adequate resources (i.e. people, money and technology) and shared values/organization culture

1	Strongly disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly agree

8. Overall, our organization does well in strategy execution.

1	Strongly disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly agree

PART C: STRATEGY EXECUTION GAP

This section seeks to obtain your view on areas the support departments should address to reduce the strategy execution gap.

Please provide your responses on a scale of 1 to 5, where 1 = strongly disagree, 2 = disagree, 3 = neutral 4 = agree, 5 = strongly agree.

9. The **Sales, Marketing and Customer service** function does very well in the following roles to reduce strategy execution gap

Role of Sales, Marketing and Customer service function in strategy execution	1	2	3	4	5
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Develop marketing strategies and plans which seek to identify potential long- term opportunities that align to the organization's core competencies and market experience.					
Connecting with customers through a thorough understanding of their needs and establishing an appropriate balance of price, place, promotion and price that respond to the customer needs.					
Build strong brands through market segmentation and appropriate positioning strategy.					
Create value through product quality, design, features and packaging.					

Deliver the value to the target market through channel activities that make the product available and accessible.					
Communicate the value embodied by its products and services through an integrated marketing communication program that maximizes the individual and collective contribution of all communication activities.					
Capture market insights by closely monitoring the environment to assess market potential and forecast demand.					
Build capabilities of implementing marketing plans with a long-term view.					
Business ally - understand how the business makes money.					
Others – please specify					

10. The **Underwriting** function does very well in the following roles to reduce strategy execution gap

Role of Underwriting function in strategy execution	1	2	3	4	5
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Insurance application – ensure sufficient and relevant information is gathered to assess the risk (physical and moral).					
Risk assessment – risk classification according to its likelihood of occurrence, ensure insurable interest exists, address legal issues and review of medical conditions.					
Insurance acceptance – determine the conditions under which the risk will be accepted (appropriate premium rate, exclusions)					
Risk management – claims experience studies, development of underwriting audits for clients, creation and maintenance of underwriting guidelines and manuals, risk retention management, reinsurance and retrocession management, granting and removing underwriting authority to the different underwriting departments and individuals.					
Treaty work – assess capacity of the insurance company and transfer excess risk to reinsurance companies.					

Product development – closely with the actuary to determine the risk profile of each risk type, develop precise underwriting rules and input into pricing.					
Business ally - understand how the business makes money.					
Others – please specify					

11. The **Claims Management** function does very well in the following roles to reduce strategy execution gap

Role of Claims management function in strategy execution	1	2	3	4	5
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Claims assessment – verify that the expenditure relating to the claim is valid.					
Claims investigation – carry out investigations for claims suspected to be fraudulent.					
Claims payment – pay claims accurately and promptly.					
Manage service providers – play liaison role between the Insurance company and the service providers (garages, lawyers, hospitals).					
Business ally - understand how the business makes money.					
Others – please specify					

12. The **Finance** function does very well in the following roles to reduce strategy execution gap

Role of Finance function in strategy execution	1	2	3	4	5
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Reporting – provide timely, accurate and relevant reports					
Regulation – ensure the organization complies with regulatory requirements					
Globalization – lead the organization to adopt global view					
Technology – gain competitive advantage through technology					
Risk –guide the organization to manage risk					
Transformation – engage in continuous improvement					
Stakeholder management – meet and exceed expectations of various stakeholders					
Talent capability – manage finance team to be effective and efficient					
Operational execution - implement workplace policies and administer day-to-day work of the Finance function.					
Business ally - understand how the business makes money.					
Others – please specify					

13. The **Human Resource** function does very well in the following roles to reduce strategy execution gap.

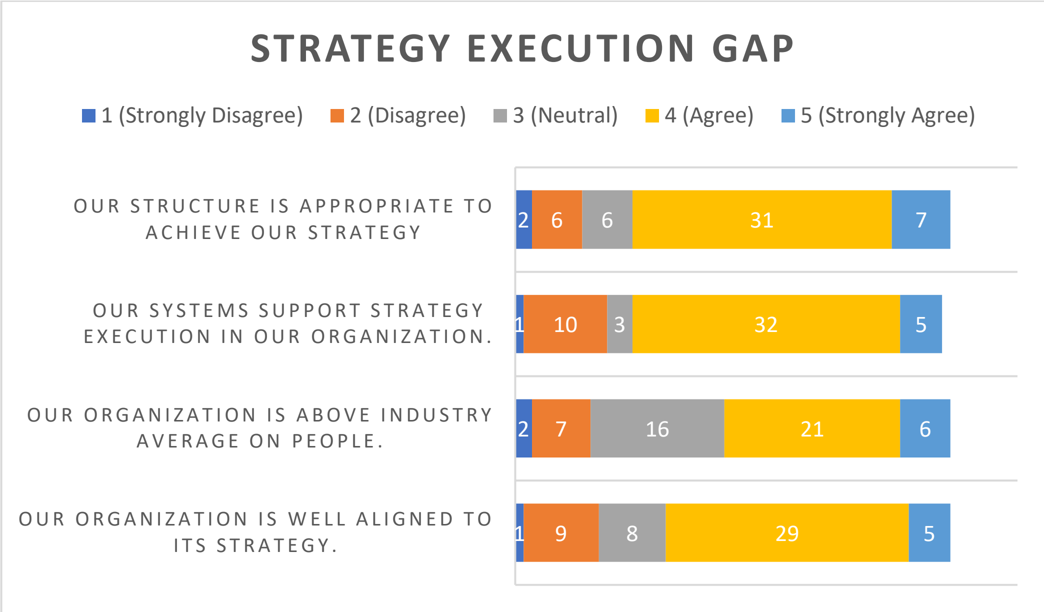
Role of the Human resource function in strategy execution	1	2	3	4	5
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Credible activists - build trusting relationships, influence others, provide candid observation, share information and deliver results with integrity					
Organizational designer - develop talent, designing reward systems and shape the organization					
Strategic architect - recognize business trends and their impact on the business, developing people strategies that contribute to the business strategy.					
Cultural and change steward - facilitate change, develop and value organizational culture and help employees navigate the culture of the organization.					
Operational execution - implement workplace policies, advance HR technology and administer day-to-day work of managing people.					
Business ally - understand how the business makes money.					
Others – please specify					

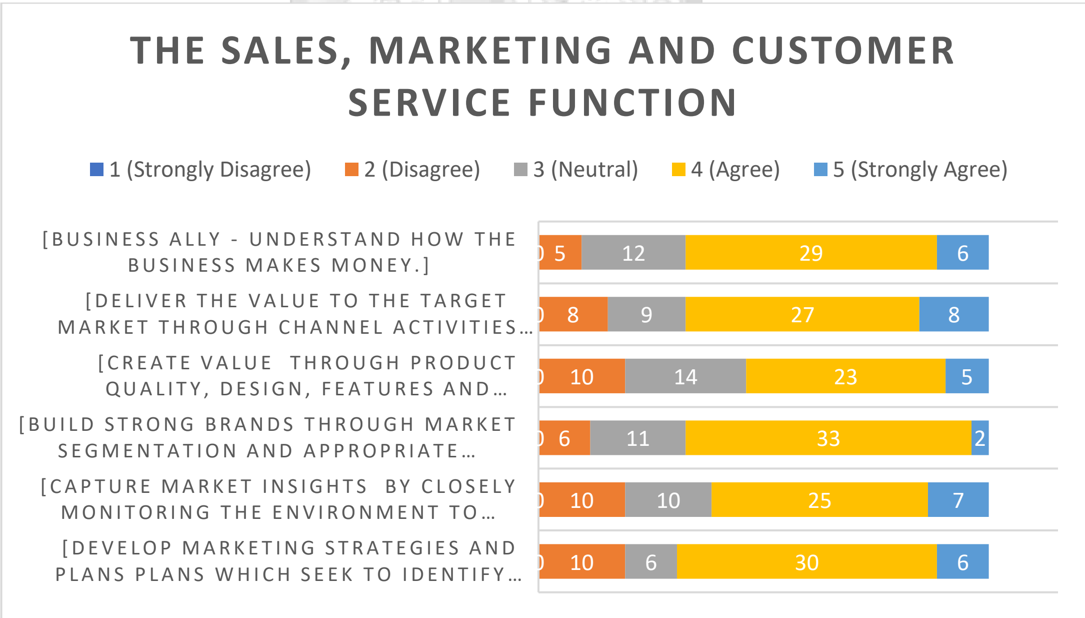
14. The **information and communications technology (ICT)** function does very well in the following roles to reduce strategy execution gap.

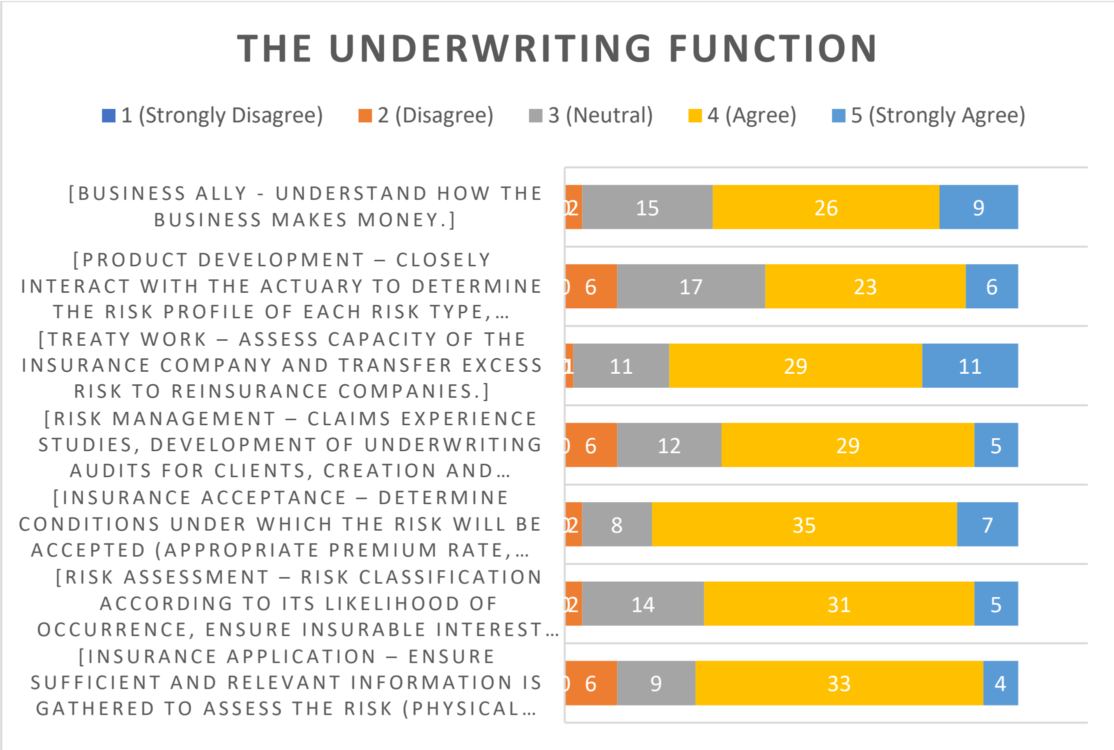
Role of the ICT function in strategy execution	1	2	3	4	5
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Operational excellence – continuous improvement to enhance efficiency and productivity					
ICT as an enabler - create new products, services and business models.					
Create customer and supplier intimacy - know customer well enough to enhance personalized services to them and enable organization to establish firm supply chains thereby securing vital inputs.					
Decision support - avail the right information, to the right people at the right time.					
Operational execution - implement workplace policies and administer day-to-day work of managing ICT systems.					
Business ally - understand how the business makes money.					
Others – please specify					

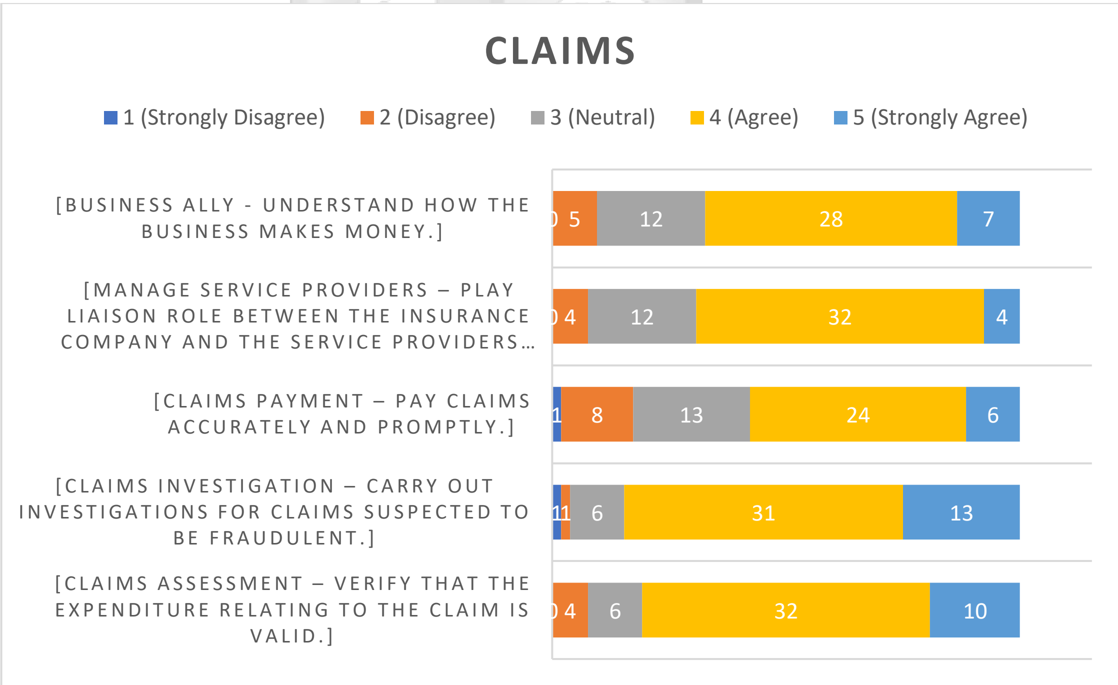
15. With which organization are you affiliated or last affiliated to? *
16. Kindly input your email address below if you like to receive a generic overview of findings of this study ____________________________

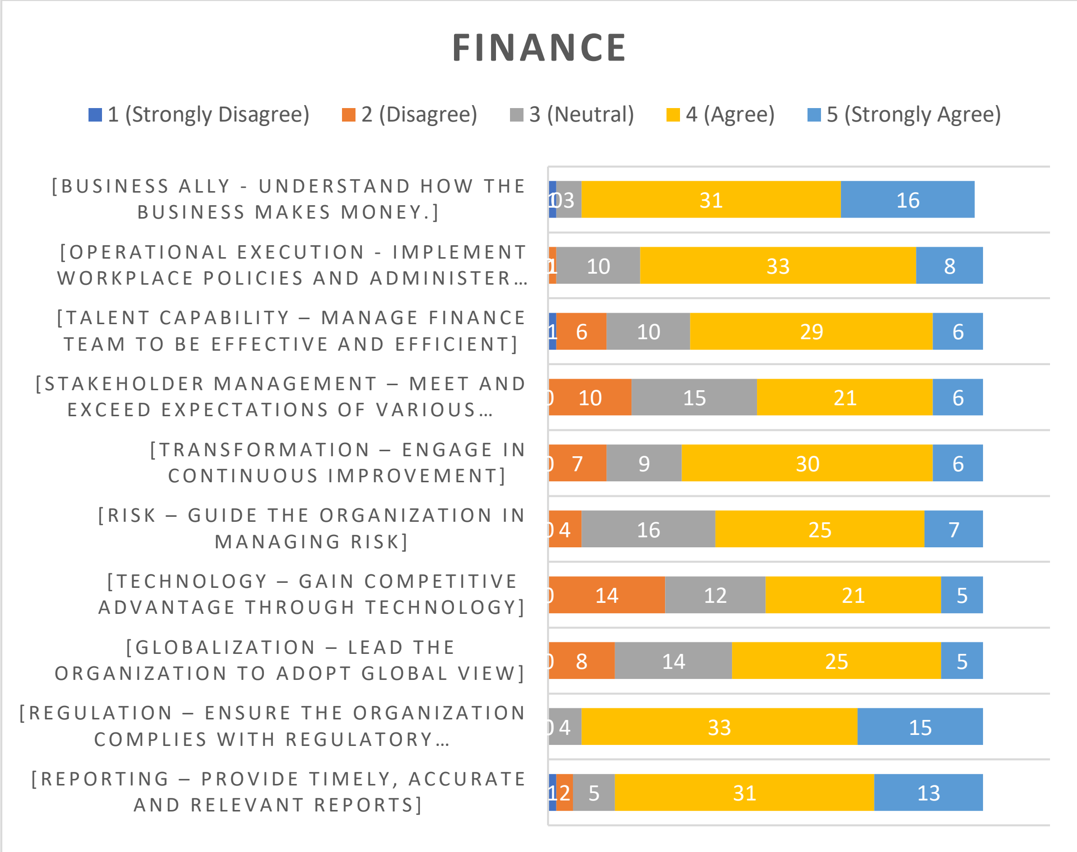
Appendix III: Feedback of questionnaire

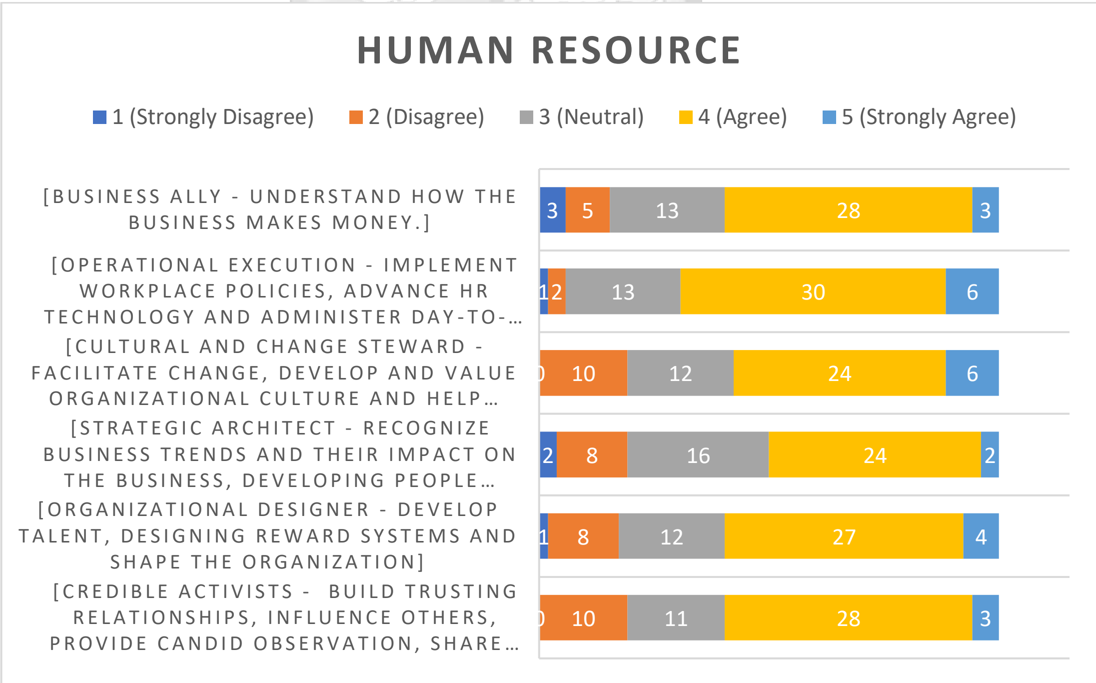


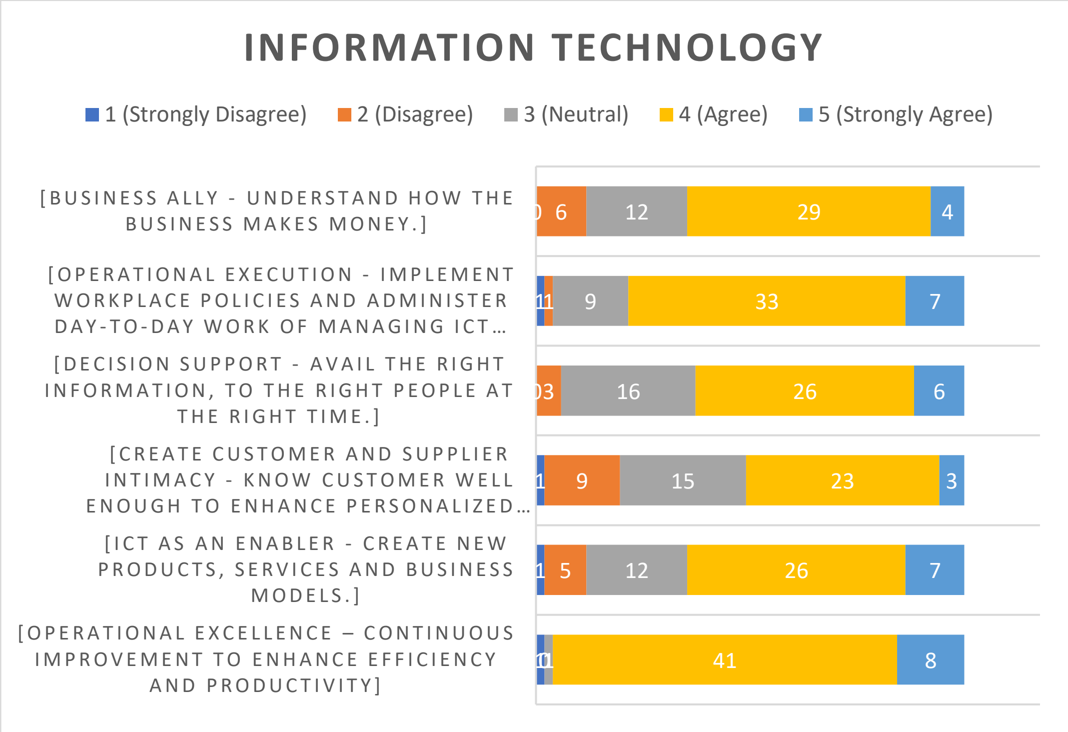



THE UNDERWRITING FUNCTION
1 (Strongly Disagree)
2 (Disagree)
3 (Neutral)
4 (Agree)
5 (Strongly Agree)
[BUSINESS ALLY - UNDERSTAND HOW THE BUSINESS MAKES MONEY.]
[PRODUCT DEVELOPMENT – CLOSELY INTERACT WITH THE ACTUARY TO DETERMINE THE RISK PROFILE OF EACH RISK TYPE,…
[TREATY WORK – ASSESS CAPACITY OF THE INSURANCE COMPANY AND TRANSFER EXCESS RISK TO REINSURANCE COMPANIES.]
[RISK MANAGEMENT – CLAIMS EXPERIENCE STUDIES, DEVELOPMENT OF UNDERWRITING AUDITS FOR CLIENTS, CREATION AND…
[INSURANCE ACCEPTANCE – DETERMINE CONDITIONS UNDER WHICH THE RISK WILL BE ACCEPTED (APPROPRIATE PREMIUM RATE,…
[RISK ASSESSMENT – RISK CLASSIFICATION ACCORDING TO ITS LIKELIHOOD OF OCCURRENCE, ENSURE INSURABLE INTEREST…
[INSURANCE APPLICATION – ENSURE SUFFICIENT AND RELEVANT INFORMATION IS GATHERED TO ASSESS THE RISK (PHYSICAL…
2 15 26 9
6 17 23 6
1 11 29 11
6 12 29 5
2 8 35 7
2 14 31 5
6 9 33 4


CLAIMS
1 (Strongly Disagree)
2 (Disagree)
3 (Neutral)
4 (Agree)
5 (Strongly Agree)
[BUSINESS ALLY - UNDERSTAND HOW THE BUSINESS MAKES MONEY.]
[MANAGE SERVICE PROVIDERS – PLAY LIAISON ROLE BETWEEN THE INSURANCE COMPANY AND THE SERVICE PROVIDERS…
[CLAIMS PAYMENT – PAY CLAIMS ACCURATELY AND PROMPTLY.]
[CLAIMS INVESTIGATION – CARRY OUT INVESTIGATIONS FOR CLAIMS SUSPECTED TO BE FRAUDULENT.]
[CLAIMS ASSESSMENT – VERIFY THAT THE EXPENDITURE RELATING TO THE CLAIM IS VALID.]
5 12 28 7
4 12 32 4
1 8 13 24 6
1 1 6 31 13
4 6 32 10


FINANCE
1 (Strongly Disagree)
2 (Disagree)
3 (Neutral)
4 (Agree)
5 (Strongly Agree)
[BUSINESS ALLY - UNDERSTAND HOW THE BUSINESS MAKES MONEY.]
[OPERATIONAL EXECUTION - IMPLEMENT WORKPLACE POLICIES AND ADMINISTER…
[TALENT CAPABILITY – MANAGE FINANCE TEAM TO BE EFFECTIVE AND EFFICIENT]
[STAKEHOLDER MANAGEMENT – MEET AND EXCEED EXPECTATIONS OF VARIOUS…
[TRANSFORMATION – ENGAGE IN CONTINUOUS IMPROVEMENT]
[RISK – GUIDE THE ORGANIZATION IN MANAGING RISK]
[TECHNOLOGY – GAIN COMPETITIVE ADVANTAGE THROUGH TECHNOLOGY]
[GLOBALIZATION – LEAD THE ORGANIZATION TO ADOPT GLOBAL VIEW]
[REGULATION – ENSURE THE ORGANIZATION COMPLIES WITH REGULATORY…
[REPORTING – PROVIDE TIMELY, ACCURATE AND RELEVANT REPORTS]


HUMAN RESOURCE
1 (Strongly Disagree)
2 (Disagree)
3 (Neutral)
4 (Agree)
5 (Strongly Agree)
[BUSINESS ALLY - UNDERSTAND HOW THE BUSINESS MAKES MONEY.]
[OPERATIONAL EXECUTION - IMPLEMENT WORKPLACE POLICIES, ADVANCE HR TECHNOLOGY AND ADMINISTER DAY-TO-…
[CULTURAL AND CHANGE STEWARD - FACILITATE CHANGE, DEVELOP AND VALUE ORGANIZATIONAL CULTURE AND HELP…
[STRATEGIC ARCHITECT - RECOGNIZE BUSINESS TRENDS AND THEIR IMPACT ON THE BUSINESS, DEVELOPING PEOPLE…
[ORGANIZATIONAL DESIGNER - DEVELOP TALENT, DESIGNING REWARD SYSTEMS AND SHAPE THE ORGANIZATION]
[CREDIBLE ACTIVISTS - BUILD TRUSTING RELATIONSHIPS, INFLUENCE OTHERS, PROVIDE CANDID OBSERVATION, SHARE…



INFORMATION TECHNOLOGY
1 (Strongly Disagree)
2 (Disagree)
3 (Neutral)
4 (Agree)
5 (Strongly Agree)
[BUSINESS ALLY - UNDERSTAND HOW THE BUSINESS MAKES MONEY.]
6
12
29
4
[OPERATIONAL EXECUTION - IMPLEMENT WORKPLACE POLICIES AND ADMINISTER DAY-TO-DAY WORK OF MANAGING ICT…
9
33
7
[DECISION SUPPORT - AVAIL THE RIGHT INFORMATION, TO THE RIGHT PEOPLE AT THE RIGHT TIME.]
3
16
26
6
[CREATE CUSTOMER AND SUPPLIER INTIMACY - KNOW CUSTOMER WELL ENOUGH TO ENHANCE PERSONALIZED…
1
9
15
23
3
[ICT AS AN ENABLER - CREATE NEW PRODUCTS, SERVICES AND BUSINESS MODELS.]
1
5
12
26
7
[OPERATIONAL EXCELLENCE – CONTINUOUS IMPROVEMENT TO ENHANCE EFFICIENCY AND PRODUCTIVITY]
41
8