



Electronic Theses and Dissertations

2022

The Effect of CEO personality traits on the financial performance of insurance companies in Kenya.

Nyakundi, Mary

Strathmore School of management and Commerce
Strathmore University

Recommended Citation

Nyakundi, M. (2022). *The Effect of CEO personality traits on the financial performance of insurance companies in Kenya* [Strathmore University]. <http://hdl.handle.net/11071/13154>

Follow this and additional works at: <http://hdl.handle.net/11071/13154>

**THE EFFECT OF CEO PERSONALITY TRAITS ON THE FINANCIAL
PERFORMANCE OF INSURANCE COMPANIES IN KENYA**



**A Research Thesis Submitted to Strathmore Business School in Partial Fulfilment for the
Degree of Masters of Commerce of Strathmore University.**

October 2022

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.

© No part of this thesis may be reproduced without the permission of the author and Strathmore University

Name of Candidate Mary Nyakundi (MCOM/123007)

Signature:.....  ...Date.....12th September, 2022

Approval

The thesis of Mary Nyakundi was approved by the following:

Name of Supervisor: Dr. James Ndegwa

School/Institute/Faculty: Strathmore University Business School

Signature:..... Date12th September, 2022

Dr. Angela Ndunge

Ag. Executive Dean

Strathmore University Business School.

Signature:.....Date.....

Dr. Bernard Shibwabo

Director, Office of Graduate Studies

Signature:.....Date.....

DEDICATION

I dedicate this research project to mum, dad and siblings for their unwavering support during my master`s program and research thesis. I deeply appreciate your selfless economical, spiritual, social, psychological, and emotional support. I would not have accomplished all this work without you by my side cheering me on.

I also dedicate this accomplishment to my sweet daughter, Hardlyne Bosibori. You have been a great source of inspiration and strength. I appreciate your presence by my side cheering me on as well as ensuring a peaceful environment to facilitate the pursuit of my research work. I am forever grateful for your encouraging words.



ACKNOWLEDGEMENT

I most sincerely thank the Almighty God for giving me the precious gift of life, health, strength, knowledge and insight, and patience to deliver this work. I also thank my able supervisor Dr. James Ndegwa for the commitment towards the delivery of this quality work through constructive criticism and dedicated guidance. I also acknowledge all my lecturers classmates and friends who in one way or the other contributed to the success of this quality research work.



ABSTRACT

In Kenya, poor corporate governance practices have led to the collapse of big corporations among them insurance companies. Personality traits model leadership style, change management tactics and investment decisions taken by CEOs thereby enhancing or inhibiting the financial performance of firms. CEO personality is thus likely to have a significant direct and interactive effect on firm's performance. Based on numerous reviewed personality studies knowledge gaps emerged on effect of CEO personality traits on the financial performance of insurance companies in Kenya. This study sought to determine the effects of the five CEO personality traits (Emotionality, Extra-version, Agreeableness, Conscientiousness, and Openness to Experience) on the financial performance of insurance companies in Kenya. A descriptive correlation research design was employed and primary data was gathered using structured or closed ended questionnaires from a sample of 34 CEOs and 88 other senior management staff. Descriptive statistical analysis, factor analysis, correlational analysis and ordinal regression techniques were also employed. The results from the 34 CEOs show that CEO Openness and CEO Agreeableness had a significant positive effect while CEO Extroversion had a significant negative effect on the financial performance of Insurance companies in Kenya. The results from the 88 senior management staff show that except for CEO Openness and CEO Agreeableness, which had a significant positive effect the other 3 CEO personality traits had no significant effect on financial performance of insurance companies in Kenya. The study recommended effective top management training to improve personality traits crucial in the achievement of the organization goals and objective. Additionally, the management of the Insurance companies can develop appropriate CEO appraisal mechanisms to identify, develop and apply effective personality traits with significant positive influence on performance to precisely promote financial performance among insurance companies in Kenya.

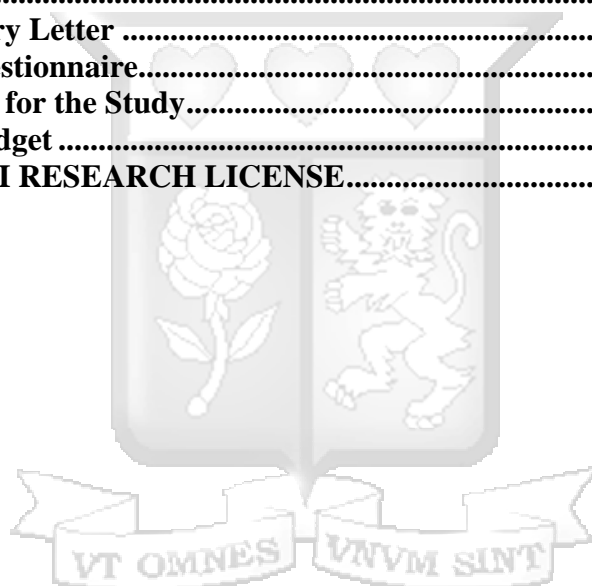


TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
ABSTRACT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	Error! Bookmark not defined.
LIST OF FIGURES	ix
DEFINITION OF TERMS	xi
LIST OF ABBREVIATIONS AND ACRONYMS	xii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study.....	1
1.1.1 CEO Personality Traits.....	2
1.1.2 Description of The Five Factor Model.....	4
1.1.3 Financial performance of Insurance companies.....	11
1.1.4 Insurance Firms	13
1.1.5 Insurance Industry – An overview	13
1.2 Research Problem.....	15
1.3 Objectives of the study.....	16
1.3.1 General Objectives	16
1.3.2 Specific Objectives.....	16
1.4 Research Questions	17
1.5 Scope of the Study.....	17
1.6 Significance of the Study	18
CHAPTER TWO	20
LITERATURE REVIEW	20
2.1 Introduction	20
2.2 Theoretical Review	20
2.2.1 The Big Five Personality Trait Model.....	20
2.2.2 Upper Echelons Theory.....	24
2.3 Empirical Review	25
2.3.1 CEOs Psychology and Financial Performance.....	25
2.3.2 CEO Personality and Financial Performance.....	26
2.4 Summary of Literature Review and Research Gaps	31
2.5 The Conceptual Framework	34
2.6 Operationalization of variables	36
CHAPTER THREE	38
RESEARCH METHODOLOGY	38
3.1 Introduction	38
3.2 Research Philosophy	38
3.3 Research Design.....	39
3.4 Population of the Study	39
3.5 Sample and Sampling Techniques	40

3.6 Data Collection Methods and procedures	41
3.8 Research Quality	45
3.9 Ethical considerations	46
CHAPTER FOUR.....	48
PRESENTATION AND INTERPRETATION OF RESEARCH FINDINGS.....	48
4.1 Introduction	48
4.1.1 Response Rate	48
4.2 General Information	49
4.2.1 Demographic Information of the Respondents	49
4.2.2 Firms attribute	50
4.3 Descriptive Statistics	53
4.3.1 CEO's Openness to Experience	53
4.3.2 CEO's Conscientiousness	54
4.3.2 CEO's Extroversion	55
4.3.3 CEO's Agreeableness	56
4.3.4 CEO's Emotional Stability (Neurotic-ism).....	57
4.3.5 Claims Ratio.....	58
4.3.6 Average Cost per Claim	59
4.3.7 Liquidity Level.....	60
4.3.8 Profitability.....	62
4.3.9 Underwriting Risk	63
4.3.10 Annual Total Assets	63
4.3.11 Employee Size.....	65
4.3.12 Annual Revenue	67
4.4 Factor Analysis and Presentation	67
4.4.1 Derivation of CEO's Openness Factor	68
4.4.2 Derivation of CEO's Conscientiousness Factor	70
4.4.3 Derivation of CEO's Extraversion Factor	72
4.4.4 Derivation of CEO's Agreeableness Factor	75
4.4.5 Derivation of Emotional Stability (Neuroticism)Factor.....	77
4.4.6 Derivation of Performance of Insurance Companies' Factor.....	79
4.6 Correlation Matrix Findings.....	81
4.7 Binary Logical Regression Analysis	84
4.7.1 Model Fitness Test Findings	84
4.7.2 Findings on Classification Matrix	84
4.7.3 Findings on Binary Logistic Regression Analysis	86
4.7 Chapter Summery.....	88
CHAPTER FIVE.....	90
SUMMERY OF FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS	90
5.1 Introduction	90
5.2 Discussion of Findings	90
5.2.1 The effects of CEO's Openness to Experience on the financial performance of insurance companies in Kenya.	90

5.2.2 The effects of CEO's Conscientiousness on the financial performance of insurance companies in Kenya.	91
5.2.3 The effects of CEO's Extroversion on the financial performance of insurance companies in Kenya.	92
5.2.4 The effects of CEO's Agreeableness on the financial performance of insurance companies in Kenya.	93
5.2.5 The effects of CEO's Emotional Stability on the financial performance of insurance companies in Kenya.	94
5.3 Conclusions	95
5.4 Recommendations	96
5.4.1 Managerial Recommendations	97
5.4.2 Policy Recommendations	97
5.4.3 Contribution to Knowledge	98
5.5 Limitations and Suggestions for Future Research.....	98
APPENDICES	107
Appendix I: Introductory Letter	107
Appendix II: Study Questionnaire.....	108
Appendix III: Time line for the Study.....	115
Appendix VI: Study Budget	116
Appendix: V: NACOSTI RESEARCH LICENSE.....	117



LIST OF TABLES

Operationalization of variables.....	34
Table 3.1 Target population of the study.	40
Table 3.2 Sample Size Distribution.....	41
Table 4.1 Response Rate	49
Table 4.2 Demographic Information of the Respondents	50
Table 4.3` Firms attribute.....	51
Table 4.4 CEO's Openness to Experience.....	53
Table 4.6 CEO's Conscientiousness	54
Table 4.7 CEO's Extroversion.....	55
Table 4.8 CEO's Agreeableness	56
Table 4.9 CEO's Emotional Stability (Neurotic-ism).....	57
Table 4.10 Claims Ratio.....	59
Table 4.11 Average Cost per Claim.....	59
Table 4.12 Liquidity Level.....	60
Table 4.13 Profitability	62
Table 4.14 Underwriting Risk.....	63
Table 4.15 Annual Total Assets	63
Table 4.16 Employee Size.....	65
Table 4.17 Annual Revenue.....	67
Table 4.18: KMO and Barlet's Test Results for the CEO's Openness Dataset	68
Table 4.19: Total Variance Explained by CEO's Openness Factors	69
Table 4.20: Rotated Component Matrix for CEO's Openness Factors	70
Table 4.21: KMO and Barlet's Test Results for the CEO's Conscientiousness Dataset.....	70
Table 4.22: Total Variance Explained by CEO Conscientiousness Factors	71
Table 4.23: Rotated Component Matrix for CEO's Conscientiousness Factors	72
Table 4.24: KMO and Barlet's Test Results for the CEO's Extraversion Dataset.....	72
Table 4.25: Total Variance Explained by CEO's Extraversion Factors.....	73
Table 4.26: Rotated Component Matrix for CEO's Extraversion Factors.....	74
Table 4.27: KMO and Barlet's Test Results for the CEO's Agreeableness Dataset	75
Table 4.28: Total Variance Explained by CEO's Agreeableness Factors	75
Table 4.29: Rotated Component Matrix for CEO's Agreeableness Factors	76
Table 4.30: Total Variance Explained by Emotional Stability (Neuroticism) Factors	77
Table 4.31: Total Variance Explained by Emotional Stability Factors.....	77
Table 4.31: Rotated Component Matrix for Emotional Stability Factors	78
Table 4.32: Total Variance Explained by Performance of Insurance Companies' Factors ...	79
Table 4.33: Total Variance Explained by Performance of Insurance Companies' Factors ...	80
Table 4.34: Rotated Component Matrix for Performance of Insurance Companies' Factors	81
Table. 35: Correlation Matrix.....	82
Table 4.36: Findings on Likelihood, R Square, Hosmer and Lemeshow Tests.....	84
Table 4.37: Findings on Classification Matrix.....	85
Table 4.38: Binary Logistic Regression Analysis.....	86

LIST OF FIGURES

Figure 2.1: The Five Factor Model of Personality Traits.....	22
Figure 2.2: The Summary of Literature Review and Research Gaps.....	33
Figure 2.3: The Conceptual Framework.....	37
Figure 2.4: The Operationalization of Variables.....	38



DEFINITION OF TERMS

Personality traits are a personal behavioral pattern of oneself

Emotional stability is the capacity to be self-confident and be able to adjust emotionally

Extroversion traits that are associated with a person`s sociability and expression

Agreeableness the tendency to be altruistic (empathetic, kind, cooperative, trusting, and gentle) and compliant (modest, having a values affiliation, and conflict avoiding)

Conscientiousness is the degree to which someone shows dependability and an achievement orientation



LIST OF ABBREVIATIONS AND ACRONYMS

CEO – Chief Executive Officer

IRA – Insurance Regulatory Authority

OCEAN – Openness, Conscientiousness, Agreeableness & Neuroticism

FFM – Five Factor Model (Big Five)

CFO – Chief Finance Officer

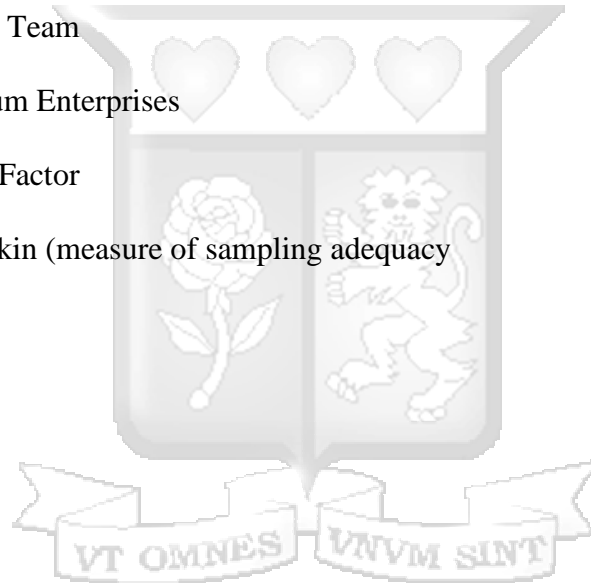
M&A _ Mergers and Acquisitions

TMT _ Top Management Team

SMEs _ Small and Medium Enterprises

VIF _ Variance Inflation Factor

KMO _ Kaiser-meyer-Olkin (measure of sampling adequacy)



CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The Chief executive officer'(CEO`s) position is critical to the management structure and performance of an organization. Many firms excel in business because of the characteristics of their CEO. Organizations replicate the profiles of dominant individuals who participate in management and the affairs of the entity. One of the best ways to understand a particular firm`s performance is to consider its fundamental biases and dispositions of influential actors at the top or the executives (Hambrick, 2007). The leaders` personality traits, values, preferences, and leadership style will have a significant effect on their organizations performance (Hambrick, 2007). In that regard, organizations morph into what the leader feels, perceives, thinks and believes. Additionally, the knowledge, values and skills of an individual are an inherent determinant of the decisions they take and their consequential outcomes. The CEO does not only have the overall responsibility for the firm`s management but also the CEO`s characteristics are of serious consequences to the firm outcomes (Finkelstein and Hambrick, 1996).

Some level of understanding of the nature of CEO roles and the environment in which they execute these roles can shade light on the importance of their personality to their performance. There are some scholars who believe that CEOs have standardized roles while there are those who believe that CEOs do not have standardized roles. According to Mintzberg, (1971), there are ten standardized roles of CEOs and these roles fall into three basic categories, namely; interpersonal, informational and decisional roles. Some scholars argue that the CEO has no standardized roles. The level of environmental turbulence has become a driving force which dictates need for strategic responses necessary for success (Ansoff and Sullivan 1990; Ansoff et al., 1990). This implies that a manager ought to be flexible and adaptable in responding to the need of the time if they wish to attain sustainable survival and performance for their organizations. In high turbulent environment, success comes to firms which use strategies that are discontinuous from their historical strategies (Ansoff and Sullivan, 1990; Ansoff et al., 1990). Further, the environmental factor neglected by

Mintzberg, (1971) entailing the acceleration of the speed of change in the environment which has occurred during the past 30 years (Drucker, 1980), is a key issue touching on financial performance. The CEO's personality has an inherent effect on his ability and willingness to drive the business change in a turbulent environment in an effort to ensure that his firm attains sustainable survival and competitive advantage. For instance a CEO who is open to new ideas will be willing to adopt new ways of doing things as necessitated by the changing business environment.

1.1.1 CEO Personality Traits

Personality is that pattern of characteristic, thoughts, feelings, and behaviours that distinguishes one person from another and that persists over time and situation (Phares, 1991). A CEO is a top employee of an organization whose personality is influential (Hambrick, 2007; Oppong, 2014). In psychology, the five dimensions of personality provides a clear conceptual and measurement framework for research into personality since these dimensions are used to describe human personality (Bono & Judge 2003; McCrae 2009). The greatest achievement of firms does not only depend on employee's skills and capability but also on the different personality traits which are fundamental building blocks of any personality (Bono & Judge 2003; McCrae 2009). These Personality traits are Conscientiousness- hard-working, careful, thorough, responsible, organized, persevering; Extroversion- sociable, talkative, gregarious, assertive, active, ambitious and expressive; Agreeableness- courteous, flexible, trusting, good natured, cooperative, forgiving, soft hearted, and tolerant; Neurotic-ism- anxious, depressed, angry, embarrassed, emotional, worried, and insecure; and Openness to experience- imaginative, cultured, curious, original, broad minded, intelligent and artistically sensitive.

Job performance is defined as an important activity that provides both the method and processes to achieve the organizational goals and also provide the achievement level in term of out-put (Ibrahim, 2004). It is defined as an effort of an employee to achieve some specific goal (El-Saghier, 2002). Traditionally, the employees' job performance has been primarily defined in terms of how well an employee completes his/her assigned duties. Performance during a job can be measured while considering the output, which could be profits, financial performance or through examination of proper implementation of processes and procedure. In the contemporary business world the

performance of a CEO is reflected by the performance of the company they serve. Further Different people have different Personalities that contribute to their Job performance in the organization (Hambrick, 2007). A Person's personality necessarily has a very high impact on his job outcomes. And as such Conscientiousness; Introversion, Agreeableness, and Openness to experience having a Positive relationship with the performance of employees at work, gains a remarkable support (Oppong, 2014).

However different researchers arrived at different findings on the effects of each personality trait on work outcomes. For instance Wang and Chen (2020) in their research aimed at recognizing CEO personality and its impact on business performance, found out that CEO Emotional Stability, Extroversion and Agreeableness improve Cost Efficiency and Profitability, CEO Conscientiousness reduces efficiency and profitability while CEO Openness to Experience negatively influences Profitability. Personality reflects an individual's pattern of behaviour, thought and emotion that characterize his/her adaptation to life's situations (Funder, 2001). Therefore these traits are indicative of an individual's tendencies or their preferred ways of thinking, behaving and feeling (Saville, 2016). These traits influence how an individual generally interprets and responds to situations leading to both the consistency and individuality of a person's behaviour (Feist, Feist, & Robert, 2017). Thus, insight into a person's personality, as a unique pattern of traits allows prediction of that particular individual's preferred behaviour in a given situation.

Although personality research has experienced a renaissance in the last 25 years, until the early-1980s most of the research on personality, particularly on workplace outcomes, concluded that personality did matter (Barrick, Mount, & Judge, 2001). Further, many personality psychologists have reached a consensus that the five personality constructs, referred to as the Big Five, are necessary and sufficient to describe the basic dimensions of normal personality and its impact on the workplace outcomes (McCrae 2009). Their consensus is backed up by the emergence of the big five personality trait model or the five-factor model of personality (FFM), which provides a relatively parsimonious taxonomy for grouping and categorizing specific traits. Aggregating personality traits into the five broad categories produces numerous benefits, including greater reliability in measurement and results that are more comparable across studies. The five factors

model and its five personality traits are Conscientiousness (responsible, organized, efficient), Emotional Stability/neurotic-ism (self-confident, resilient, well-adjusted), Extroversion (talkative, ambitious, assertive), Agreeableness (friendly, cooperative, loyal), and Openness to Experience (curious, imaginative, open-minded) (Mount & Barrick, 2002). Many psychologists are now convinced that the best representation of trait structure is provided by the five-factor model (McCrae, 2009; Oppong, 2014).

Although the FFM is now widely accepted as a meaningful way to organize personality traits and has been shown to have cross-cultural generalizability (McCrae 2009; Bono & Judge 2003), some researchers defend taxonomies with more or fewer factors (Ashton et al., 2004). Nonetheless, the emergence of the FFM has led to increased activity in the study of personality, with the conclusion that personality does indeed have meaningful relationships with performance, motivation, job satisfaction, leadership, and other work outcomes. The current study will apply the FFM to investigating the relationship between CEO personality traits and the financial performance of insurance companies in Kenya.

1.1.2 Description of The Five Factor Model

Personality traits are a personal and social lasting pattern of perceiving, relating to, and thinking about the environment and oneself. According to McCrae, (2009) and Bono & Judge (2003), researchers agree to the five-factor model of personality dimensions which include all the personality traits. The dimensions of the five-factor model of personality are Emotional stability, Extroversion, and Openness to experience, Agreeableness, and Conscientiousness. Previous studies have researched on personality traits and arrived at more or less similar conclusions. For instance on the one hand Heineck, (2007) observed that from a United Kingdom perspective that the relationship between Agreeableness and performance was negative whereas Openness to experience has a warm acceptance and is rewarded positively, thereby affecting performance in a positive manner. Further, the Conscientiousness and performance revealed a non-linear relationship. On the other hand Judge, (2015) concluded that agreeableness trait is a good predictor of employees' performance where the jobs requires teamwork and these findings are also confirmed by Hambrick, (2007). Generally, researchers are on consensus that agreeableness can positively and significantly predict the job performance of employees, and hence the other factors

may possibly affect performance. Further, in practise the work environment is an open system requiring coordination between people and processes. Therefore, to achieve desired organizational goals the CEO must agree with his support staff in order to plan, organize, execute and review performance. Given this perspective, in the theoretical sense, Agreeableness seems to be a key predictor of performance when compared with the other personality traits. However in practise this can be proved otherwise through an empirical research. The five personality factors normally abbreviated as OCEAN – Openness, Conscientiousness, Extroversion, Agreeableness and Neurotic-ism (Emotional stability) are described as follows;

Emotional stability is one of the personal traits that is also known as neurotic-ism which means the capacity to be self-confident and be able to adjust emotionally. McCrae & Costa, (1997) described emotional adjustment as the ability of an individual to adjust their emotional state to varying situational demands and to remain balanced and calm in stressful situations. Emotional stability is regarded as a strong predictor of an individual's ability to adopt to unpredictable and ever dynamic situations (McCrae & Costa, 1997). Research suggests that emotional stability of a top leader, like a CEO is more relevant to decision making in an ever changing and uncertain situations than in stable ones. An emotionally stable leader creates a safe working atmosphere for employees by reducing their anxiety in difficult situations as well as providing encouragement in cases of failure (Edmondson, 1999).

This highlights suggests that emotionally stable CEO is confident, less threatened by novelty and unpredictable situations and as such encourage employees to be creative and innovative. The adaptability of emotionally stable CEO lowers their hesitation to change business strategies and enables them to quickly generate appropriate responses to changes, thereby being able to process diverse, adverse and ambiguous information in an objective and rational manner. And this manner of response prompts a broad perspective as well as reducing a selective perception and interpretation biases. Consequently, emotionally stable CEO is likely to improve their sensitivity and responsive capabilities, which are fundamental in developing strategic flexibility (Johnson et al., 2003; Shimizu & Hitt, 2004). Given the turbulent contemporary business environment, emotionally stable CEO is the most deferrable as he got what it takes to drive business into adaptation and exploitation of strategic opportunities thereby enabling organization to attain

sustainable competitive advantage over competitors. However, emotional stability as a predictor of performance will depend on the nature and context of work. For instance, Judge, (2015), observed that Emotional stability was a significant predictor of performance especially where work was unstructured and an employee has discretion to make decisions. Conversely, Nadkarni, (2010) observed that Emotional stability had an inverted relationship with strategic flexibility.

For a firm to survive competition and perform favourably, it must have a leader who is able to handle situational management in a flexible yet tactical manner. A high Neurotic-ism score indicates that a person is prone to having irrational ideas, being less able to control impulses, and coping poorly with stress. A low Neurotic-ism score is indicative of emotional stability. Studies show that because emotionally stable leaders are characterized by a high self-confidence, they are never afraid of challenging the status-quo. Shimizu & Hitt, (2004) contend that overcoming organizational inertia, an important barrier to strategic flexibility and enhanced performance requires challenging the status-quo and taking risks, both of which calls for a high degree of self-confidence. Thus confidence and decisiveness of an emotionally stable CEO leader may promote strategic flexibility by way of overcoming barriers such as organizational inertia and filtering biases. Wang and Chen (2020) in their research aimed at recognizing CEO personality and its impact on business performance found out that CEO Emotional Stability, Extroversion, and Agreeableness improve Cost Efficiency plus Profitability, while CEO Conscientiousness reduces efficiency and profitability and CEO Openness to Experience negatively influences Profitability. Therefore we suggest that emotional stability is likely to affect performance in either a positive or negative sense.

Extroversion is associated with a person`s sociability and expression (Judge et al., 2002). Extrovert leaders tend to take initiative in social settings, to introduce people to each other and to be socially engaging by being humorous, stimulating social interactions and introducing topics for discussions (House & Howell, 1992). Therefore extroverted leaders build wide and diverse networks of social relationships. The extroverted leaders are expensive and articulate individuals who persuade, influence and organize others (Bono & Judge, 2004). Theoretically, CEO extroversion is a desirable trait and its is expected to be a characteristic that several CEO would share as it is deemed to be a key predictor of performance. However, extroversion is not an obvious positive predictor

of work outcomes since it will again depend on the nature and context of work done. For instance, Kitches, Michael, and Meghaan Lurtz, (2018), in their recent research defining personality traits of successful financial planners_ using the “Big Five” framework of extroversion, conscientiousness, openness, agreeableness, and neurotic-ism found out that in reality extroversion is not the biggest predictor but the biggest traits defining the longest-standing and high-income financial advisers were highly conscientious and very agreeable with low neurotic-ism. On the contrary, Judge, (2015) found a very positive relationship between extroversion and job performance of employees.

The sociability of extroverted CEO enables them to mobilize others as well as develop extensive social interactions within and outside their firms. McDonald, Khanna, and Westphal, (2008), suggested that CEO who develop extensive advice networks are exposed to alternative and novel points of view, and this exposure enhances CEO`s ability to quickly identify the strategic challenges facing their companies and develop high quality solutions to them thereby enhancing favourable performance. The usage of broad networks of information acquisition and dissemination allows for intensive discussion and validation of new information, reducing selective perception and interpretation biases (McDonald & Westphal, 2003). A reduction in biases, reduces barriers and promotes strategic flexibility (Nadkarni & Naryanan, 2007; Shimizu & Hitt, 2004). Consequently, the firm achieves enhanced performance. The development of ability to quickly adapt to environmental changes requires creation of new ideas that deviate from previous strategies (Johnson et al., 2003). Extroverted CEO can effectively mitigate such resistance and promote rapid implementation of new strategies through their unique expressive skills and ability to take initiative, persuade and influence people in order to promote creativity and innovation. We therefore suggest that CEO extroversion is likely to have a positive or negative effect on the financial performance of a firm.

Leaders who are open to new experiences actively seek excitement and risks (Judge et al., 2002). This need for change and risk taking can promote behaviours that may disrupt the existing product and resource advantages of stable firms (Nadkarni & Narayanan, 2007). However, CEO`s openness to new experiences is central to promoting creative adaptation in dynamic environments (Datta et al., 2003). However, Wang, S., & Chen, X. (2020) in their research aimed at recognizing CEO

personality and its impact on business performance, found out that CEO Openness to Experience negatively influences Profitability, and all facets of CEO personality except CEO Conscientiousness improve cost efficiency, profitability and Employee Productivity. On the contrary Johnson et al., 2003; Nadkarni & Narayanan, (2007) contended that a CEO who is open to experience is likely to minimize selective perspective and interpretation biases, which inhibit strategic flexibility.

A CEO with minimal selective perspective and interpretation biases creates room for new ways of doing things by welcoming new ideas which eventually may enhance organizational performance. This means CEO with high openness to experience are characterized by broad interests, divergent thinking and receptiveness to a wide range of stimuli which enables them to develop broad field of vision by considering a wide range of alternatives among strategic perspectives, including those that deviate widely from existing strategies. We thus suggest that openness to experience is positively associated with the financial performance of a firm.

Agreeableness is yet another personality trait that represents the tendency to be altruistic (empathetic, kind, cooperative, trusting, and gentle) and compliant (modest, having a values affiliation, and conflict avoiding (Bono & Judge, 2004). The relationship between leader agreeableness and the ability to bring about change is ambiguous because on the one hand, agreeableness (altruism and compliance) fosters a culture of creativity and risk taking based on cooperative, open, and trust-based relationships with employee (Judge & Bono, 2000). On the other hand, excessive agreeableness can lead to passivity, where leaders act modest, focus more on what employees think of them than on accomplishments, and avoid conflicts at all costs. These two sets of mechanisms evoke leader behaviour (Lan gan-Fox, Cooper, & Klimoski, 2007) that may either enable or inhibit adaptability and innovation (LePine & Van Dyne, 2001) as well as financial performance. We propose that medium levels of agreeableness allow CEO to optimally balance these opposing mechanisms so as to maximize strategic flexibility and enhance financial performance, whereas very high levels of agreeableness invoke passivity and compliance and very low levels undermine employee creativity and risk taking, inhibiting strategic flexibility and hence financial performance. Disagreeable CEO promote a climate of competition and fear (Peterson et al., 2003) that is likely to promote compliance rather than independent thinking.

Intimidated by disagreeable CEO, employees are hesitant to bring to their attention information that may challenge the CEO personal beliefs (Peterson et al., 2003), and narrows the CEO` field of vision. A disagreeable CEO may be skeptical and may ignore strategic alternatives suggested by fellow managers and employees. This kind of perception may create strong perception and interpretation biases which inhibits strategic flexibility (Nadkarni & Narayanan, 2007; Shimuzi & Hitt, 2004). Highly agreeable leaders are likely to pay special attention to neglected groups in their firms, treat each employee as an individual and focus on employee empowerment, which fosters free and comprehensive exchange of quality information between diverse employees (Bono & Judge, 2004). A comprehensive information exchange is likely to widen CEO`s field of vision (Lant et al., 1992). However, Langan-Fox et al., (2007) contends that since highly agreeable individuals value and strive for cooperation and harmony, they may avoid engaging in certain functional tasks based on behaviour when their behaviours have potential to upset other individuals with whom they work. And this is likely to inhibit decision effectiveness.

Similarly, Lepine and Van Dyne (2001) found that high agreeableness inhibited voice behaviour which is the extent to which an individual speaks up with constructive suggestions for change. They found out that high levels of agreeableness are detrimental to innovation and adaptability because voice behaviour is suppressed. This evidence suggested that CEO`s need for affiliation and concern for what others think about them may suppress their voice behaviour and prompt them to give up their views in conditions of conflict rather than engaging in the strong influencing tactics required to foster responsive capabilities. Therefore, the interpretation and perception of highly agreeable CEO may be prompted by their need for affiliation and social acceptance rather than by decision focus based on objective information and focus that is likely to create strong selective perception and interpretation biases which in turn create barriers to development of strategic flexibility (Shimuzi & Hitt, 2004). Moderate agreeableness CEO may broaden their field of vision by empowering employees to be creative, generate new and controversial ideas which challenge existing behaviour, assumptions and ways of doing things. CEO assertiveness can help reduce the perceptual and interpretation biases resulting from passivity and excessive need for affiliation. Thus, we expect CEO with medium level of agreeableness to maximize strategic flexibility, which in turn maximizes financial performance.

Wang and Chen (2020) in their research aimed at recognizing CEO personality and its impact on business performance: Mining linguistic cues from social media found out that all facets of CEO personality except CEO Conscientiousness improve cost efficiency, profitability and Employee Productivity with CEO agreeableness being the highest predictor. Further Kitches, Michael, and Meghaan Lurtz, (2018), in their recent research defining personality traits of successful financial planners_ using the “Big Five” framework of extroversion, conscientiousness, openness, agreeableness, and neurotic-ism found out that in reality extroversion is not the biggest predictor but the biggest traits defining the longest-standing and high-income financial advisers were highly conscientious and very agreeable with low neurotic-ism. We thus suggest that agreeableness has a potential positive or negative influence on the financial performance of a firm.

Finally, one of the other personal traits is conscientiousness that reflects the degree to which someone shows dependability and an achievement orientation (Judge et al., 2002). Dependability is a concern for legalism or commitment to established rules (Peterson et al., 2003). Individuals exhibiting high dependability are likely to avoid taking actions that deviate significantly from their past experience. Because of their concern for legalism, conscientious CEO is likely to rely strongly on dependable, tried on and true strategies. Over time, as CEO relies almost exclusively on the normal way of doing things and selectively ignore new and unique ways that challenge their existing assumptions. This means they are likely to develop narrow fields of vision and a selective perception bias that predisposes them to ignore environmental stimuli that do not match existing assumptions (Bogner & Barr, 2000). Such narrowed field of vision and strong selective perception bias create strong barriers to strategic flexibility by inhibiting the market sensing capability (Johnson et al., 2003). When CEO fail to see important environmental stimuli that do not fit their narrow visions, they will be unable to respond to critical environmental changes. This will inhibit their ability to quickly initiate strategic responses (Nadkarni & Narayanan, 2007). CEO who are characterized with achievement orientation are likely to feel the need to personally take control and assume responsibility for strategic activities.

Conscientious individuals have a strong need to reduce uncertainty and to receive specific feedback on their performance (Judge et al., 2002). For conscientious CEO, performance feedback and long range planning are central to making strategic choices (Miller & Droge, 1986; Miller &

Toulouse, 1986). Researchers have described such a performance driven approach to strategy formulation as a "competence trap," because it creates a strong selective perception bias by disposing strategic decision makers to ignore new and different environmental information unless significant performance declines occur (Johnson et al., 2003). Thus, conscientious CEO may not attend to ambiguous and uncertain cues until performance declines alert them of the need for strategic change.

Recent evidence from organizational behaviour supports a negative relationship between conscientiousness and the ability to adapt to changing contexts. In their experimental study, Lepine, Colquitt, and Erez (2001) found that participants with low conscientiousness adapted better to changing task contexts. On the contrary, Wang and Chen (2020) in their research aimed at recognizing CEO personality and its impact on business performance: Mining linguistic cues from social media found out that CEO Emotional Stability, Extroversion, and Agreeableness improve Cost Efficiency and Profitability, while CEO Conscientiousness reduces them. Thus CEO Openness to Experience negatively influences Profitability, and all facets of CEO personality improve Employee Productivity except for CEO Conscientiousness. We therefore suggest that CEO's conscientiousness is likely to have a positive or negative influence on firms' performance.

1.1.3 Financial performance of Insurance companies

In order to cope with the strict regulations on risk calculations and capital adequacy requirements in the financial industry, insurance companies have to always improve their performance metric systems. There are several metrics that insurance firms use to measure financial performance. Claims Ratio is an essential performance measurement metric for insurance companies. The claims ratio is the claims payable as a percentage of the premium invoice. The claims ratio can also be referred to as the claims loss ratio (Pietersz, 2016). The claims ratio is measured by the number of claims placed within a particular period divided by the earned premium for the same time. A higher ratio than the expected standard means a lower performance, linked to an insurance fraud. A lower ratio than expected would mean that there are difficulties in claiming, which may reduce customer satisfaction and calls for investigation. The claim period is the average time needed to settle a claim, where less time means that the performance of an insurance firm is at optimum and more time means an insurance firm is facing the threat of recording the worst customer satisfaction rate.

However, different insurance policies have different claim periods. The Average Cost assess the risk associated with the different type of policies and the adjustment of the policy prices. Generally, high severity claims are more expensive compared to less severe claims. The Combined Ratio helps in determining how insurance companies are performing in terms of their daily operations. The combined ratio refers to operating expenses and claims expressed as a percentage of the premium income. Agency costs arise because of the management pursuing self-interests and therefore predisposing to use corporate decisions to achieve personal goals.

The firm attributes including annual revenue, total assets and employee size can reflect the performance of a firm. Insurance performance is normally expressed in the form of net premium earned, profitability from underwriting activities, annual turnover, return on investment and return on equity. These measure can be classified furthers as profit performance measures and investment performance measures. The profit performance measures includes profits measured in monetary terms and it is simply the difference between revenues and expenses. These two factors, revenue and expenditure are in turn influenced by the firm-specific characteristics which include industry features and macroeconomic variables (Buyinza, 2010 & Indranarain, 2009).

Investment performance may take two different forms, the return on assets employed in the business other than cash and the return on the investment operations of the surplus of cash at various levels earned from operations. At the very macro level, profit is the essential pre-requisite for the survival, growth and competitiveness of insurance firms as well as the cheapest source of funds (Buyinza, 2010). Without profits, insurers cannot attract external capital to meet their set objectives in an ever dynamic and competitive global environment. Profits do not only improve the insurer`s solvency but also play a significant role of persuading policyholders and shareholders to supply funds to insurance firms (Harrington and Wilson, 1989). Therefore, one of the key objectives of management of insurance companies is to attain profits as an underlying requirement for conducting any insurance business.

The asset base of the firm is a factor that determines an insurance company`s financial performance. A company with a huge asset base is deemed to be large in size while one with a low asset base is deemed to be small. The size of the firm affects its financial performance in many ways. For

instance, large firms can exploit economies of scale and scope and hence being more efficient compared to small firms. Size can be determined by the net premium which is the premium earned by an insurance company after deducting the reinsurance ceded and the total asset base. The premium base of an insurer dictates the quantum of policy liabilities to be borne by them (Ahmed, Ahmed and Ahmed, 2010; Teece, 2009)

Employees are a key resource. There is a strong correlation between employee engagement and productivity. Employees can determine the level of productivity and performance. If a firm deploys a large number of employees who are fully engaged and motivated, the firm will see increased productivity as well. Thus companies with higher number of employee engagement face higher productivity than those with lower number of employee engagement.

1.1.4 Insurance Firms

Insurance firms are crucial in the growth and sustenance of the economy. Insurance firms provide financial services, including underwriting of risks. Insurance firms mobilize a massive amount of finances through the collection of premiums. The collected finances are later used in long-term investments. The Insurance Regulation Authority (IRA) regulates the insurance firms in Kenya. IRA was established in 2008, and since its establishment, the insurance industry has grown at an alarming rate. Thus, the Kenyan insurance sector has been able to attract multiple local and foreign investors who seek to maximize the domestic insurance market. Kenya has been ranked as one of the largest insurance markets in the East African Community (Machira, 2016). The fast-growing middle class is attributed to the Kenyan insurance sector's growth and investments in big infrastructural projects (Machira, 2016). While these factors have boosted the insurance industry's growth in Kenya, they have also led to increased calls for efficiency and quality services from consumers. These demands have prompted insurers to reconsider corporate governance mechanisms and structures.

1.1.5 Insurance Industry – An overview

The statute regulating the industry is the Insurance Act; Laws of Kenya, Chapter 487 which was enacted in 1985. The insurance (amendment) Act number 11 of 2006 established the Insurance Regulatory Authority (IRA) with the commissioner of insurance as the managing director and the chief executive officer to take the role of regulating, supervising and developing the insurance industry. The role of the authority is to ensure effective administration, supervision, regulation and control of insurance and reinsurance business in Kenya (Insurance amendment Act, 2006). There is also a self-regulation of the insurance by the Association of Kenya Insurers (AKI). The professional body of the industry is the Insurance Institute of Kenya (IIK), which deals mainly with training and professional education.

Insurance firms represent part of the most active medium enterprises in Kenya. The Insurance Regulatory Authority (IRA) has been at the forefront in pushing for better corporate governance among the insurance firms and the observance of prudential guidelines. Recent developments in the financial services industry saw Imperial Bank and Dubai Bank placed under receivership. In the last two decades, four main insurance industry players namely, Standard Assurance, United Insurance, Concord and Blue Shield insurance have had to liquidate their positions owing to poor corporate governance (Waweru, 2014). Corporate governance defines the rules, processes and practices in any organization (Adebayo et al., 2014). Major corporate governance challenges facing the insurance industry in Kenya are mismanagement, lack of trust, change management and lack of strong leadership.

The CEO is an influential corporate manager of a firm. And as such, he is likely to significantly enhance or retard its financial performance. The CEO plays a critical role in encouraging employees` interest and commitment towards a common goal. The personality traits that model the kind of leadership style, change management tactics and investment decisions taken by the managing CEO of the day will either enhance or inhibit the performance of the firm. These personality of the CEO will be witnessed in the manner he develops employees and their needs, customer satisfaction and overall organization`s competitive advantage. For instance, an open to experience CEO will welcome new ideas on the development of customer focused insurance products thereby enhancing customer satisfaction and by extension enhance financial performance.

1.2 Research Problem

The management of CEO personality traits can either hinder or promote a firm's financial performance. There is great and important impact that CEO have accomplished in an organizational performance (Hambrick, 2007; Opong 2014;Thomas, 1988). poor corporate governance practises have led to the collapse of big corporations among them insurance companies like Blue shield, Concord, Stallion and United. Personality traits model leadership style,change management tactics and investment decisions taken by the managing CEO of the day thereby enhancing or inhibiting performance. Based on numerous reviewed personality studies there existed knowledge gap to establish the effects of the five CEO personality traits on the performance of insurance companies in Kenya. Thus the current study sought to fill this gap by establishing the effects of CEO Openness, Conscientiousness Extroversion, Agreeableness and Emotional Stability on performance. A case study is that of transformational leadership to Safaricom by Bob Collymore as the chief executive officer. According to a report by the World Economic Forum (WEF 2022), Sub-Saharan Africa boasts of 1 billion mobile connections, with over US \$ 46.6 billion in total service revenue forecast for 2022 with Safaricom taking a lion's share. Between year 2010 and 2019 he made Safaricom one of Africa's most profitable businesses with 30-million subscribers. His personality is a reflection of the big five model of personality traits. For instance, his open mindedness prompted him to live, work and thrive in different continents namely America, Europe, Asia and Africa. Guided by his high conscious, before making a decision he would ask himself questions like; can I do more to encourage great transparency, reduce fraud and corruption? A person's personality trait for instance conscious drives them to either promote or negate fraud which has been considered one of the key factors that have created dire challenges for all types of business organizations (ACFE, 2018). In Kenya, the fraud menace has led to the collapse of big corporations such as, Uchumi Supermarket, Kenya Airways and Mumias Sugar (Mpiana, 2017). For instance, according to Cytonn Investment, the Kenya Airways ltd lost 17.95 billion shillings through fraud (Mungai, 2016). Besides that, investors lost 27 billion shillings in Mumias Sugar ltd and 5.1 billion shillings at Uchumi Supermarket through fraud.

Researchers of CEO personality (Peterson, & Smith, 2003; Jermias, Gordon, & Hrazdil, 2021; Sanchez, 1995; Worren et al., 2002; Young-Ybarra & Wiersema, 1999; Kiplagat 2019) have ignored the role of CEO'S personality in influencing firm performance. This gap is especially notable because the strategic choice (Child 1972) and upper echelons (Hambrick & Mason, 1984) perspective have highlighted the importance of top managers especially the CEO in driving organizational changes in a firm (Rajagopalan & Spreitzer, 1997). Moreover empirical evidence has suggested that the characteristics of CEO affect decision processes (Peterson, Smith, Martorana, & Owens, 2003) and strategic actions (Carpenter, Sander, & Gregersen 2001; Miller & Toulouse, 1986; Nadkarni & Narayann, 2007; Kiplagat 2019) that have implications on firm performance. However, the studies paid inadequate attention to the cognitive filtering mechanisms that underlie this relationship (Peterson et al., 2003).

Examining these underlying mechanisms by integrating insights from the literatures on managerial cognition, and CEO attributes provided the primary motivation for this study. From reviewed literature, there was no specific research conducted to assess the effect of CEOs personality traits on the financial performance of insurance companies in Kenya. This study sought to address the existing knowledge gap by seeking to establish the effects of each of the five CEO personality traits (OCEAN) on the financial performance of insurance companies in Kenya.

1.3 Objectives of the study

The main purpose of the study and the specific objectives addressed are presented in the subsections below.

1.3.1 General Objectives

The major purpose of the study was to determine the effects of CEO personality traits on the financial performance of insurance companies in Kenya.

1.3.2 Specific Objectives

The specific objectives formulated to help the study achieve its general purpose are;

- i. To ascertain the effects of CEO`s Openness on the financial performance of insurance companies in Kenya.
- ii. To determine the effects of CEO`s Conscientiousness on the financial performance of insurance companies in Kenya.
- iii. To assess the effects of CEO`s Extroversion on the financial performance insurance companies in Kenya.
- iv. To examine the effects of CEO`s Agreeableness on the financial performance of insurance companies in Kenya.
- v. To investigate the effects of CEO`s Emotional Stability on the financial performance of insurance companies in Kenya.

1.4 Research Questions

The research investigation intended to answer the ensuing research questions;

- i. What are the effects of CEO`s Openness on the financial performance of insurance companies in Kenya.
- ii. What are the effects of CEO`s Conscientiousness on the financial performance of insurance companies in Kenya.
- iii. What are the effect of CEO`s Extroversion on the financial performance of insurance companies in Kenya.
- iv. What are the effects of CEO`s Agreeableness on the financial performance insurance companies in Kenya.
- v. What are the effects of CEO`s Emotional Stability on the financial performance insurance companies in Kenya.

1.5 Scope of the Study

The study focused on establishing the influence of CEO`s personality traits on the financial performance of insurance companies in Kenya and the moderating effect of firm attribute. The scope of study was limited to the registered insurance companies in Kenya. The number of personality traits to be assessed were limited to five as per the Five-Factor Model of personality dimensions namely, openness to experience, conscientiousness, extroversion, agreeableness and

emotional stability also known as Neurotic-ism. Firm attributes were assessed in terms of the annual revenue, total assets and employee size. The research instrument for data collection was limited to structured questionnaires. The study covered a period between February and June 2022 since it entailed the collection of primary data via structured questionnaires adopting a cross-sectional approach.

1.6 Significance of the Study

The findings of this study and its recommendations will be helpful to the policy makers, scholars and management in the insurance sector as elaborated in the ensuing subsections.

1.6.1 Management of insurance firms

The findings and recommendations will help the management of insurance firms to understand the role of personality on performance as well as the imperative personality traits that are necessary for high performance of CEO. They will be able to understand the personality traits that are key for the employees and particularly the CEO and be guided on training and appraisal needs for future CEO or organization leader.

1.6.2 The Policy-makers

The government can develop policy frameworks for Kenyan insurance firms that incorporate the most perceived effective personality traits that influence firm performance. And design a reward system that can foster and motivate key leaders in organizations to exhibit desirable personality traits necessary for favourable firm performance. The policy framework to be developed will possibly cut across other sectors of the economy since different personalities lead in various industries. Thus the most influential personality trait can be likewise employed in the other sectors to help enhance the leaders` performance.

1.6.3 The scholars

Finally the study will make a positive contribution to the body of knowledge on strategic and corporate management literature. It is also an opportunity for future scholars to extrapolate further on corporate governance issues. The study provided a methodological contribution of the usage of factor analysis to justify the compression of statements into composite variables to be used for

regression analysis. The methodological contribution can be used by future researcher using structured questionnaire items to justify the reduction of the items into few variables to be used for correlation or regression analysis.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presented the personality theories that were directly linked to the objectives of this study. It also presented a review of studies linked to the objectives of this research investigation illustrating the research findings the studies came up with, based on the methodologies they employed and the reasons explaining the research outcomes they managed to come up with. It also presented the research gaps that needed to be addressed. It also presented the conceptual framework illustrating the relationship between the variables that the study was going to assess. Finally it presented how the study variables were operationalized.

2.2 Theoretical Review

The study will use a multi theoretical approach given that personal traits and human behaviour cannot be explained by one theory only. Therefore, the study will include The Big Five Personality Trait Model and the Upper Echelons Theory in order to explain the managers' characteristics that are critical in influencing outcomes of a firm's performance.

2.2.1 The Big Five Personality Trait Model

The Big Five model also Known as the Five Factor Model (FFM) is a product of the contributions of many independent researchers. In the year 1936 Gordon Allport and Henry Odbert first came up with a list of 4,500 terms relating to personality traits. Their work formed the foundation for other psychologists who began determining the basic dimensions of personality traits. In 1940, Raymond Cattell and his colleagues applied factor analysis, a statistical method to narrow down Allport's list to sixteen personality traits. However, several psychologists further examined Cattell's list and found that it could be further reduced to five personality traits. Among these psychologists were Norman, Smith, Goldberg, Donald Fiske, McCrae and Costa (Cherry, 2019).

Lewis Golberg advocated strongly for five basic factors of personality (Ackerman, 2017). His works extended when McCrae and Costa confirmed the validity of the model. Later on, they provided the model used today on Openness to experience, Conscientiousness, Extroversion, Agreeableness, and Neurotic-ism (emotional stability), famously abbreviated as OCEAN. The

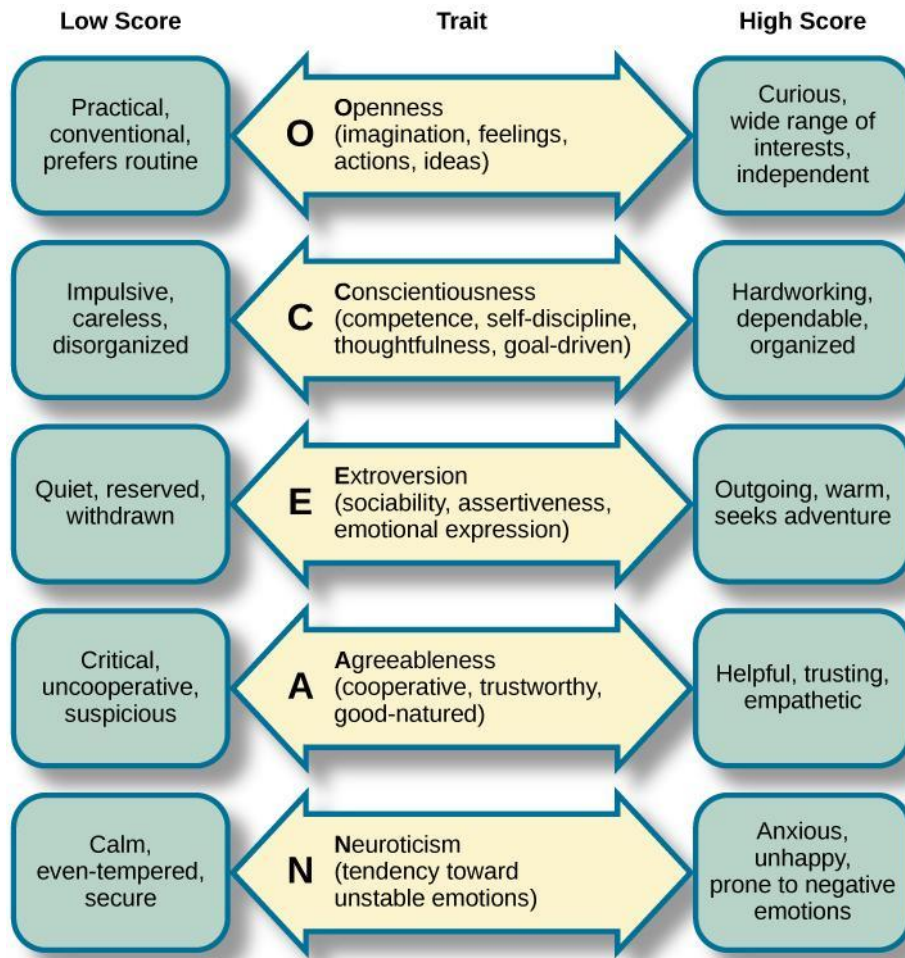
model became known as the “The Big Five or the Five Factor Model” and has since then gotten much attention especially in the history of management. The model has been a focus of research across many cultures and populations and has continued to be the most widely accepted theory of personality today.

The research specifically applied the Five-Factor Model of personality to codify the publications according to their design. The rationale behind this choice is that the FFM has been proved to be valid across different cultures and many results from psychology currently support its overall reliability as an all-inclusive personality model (Barrick and Mount 1991; Bono and Judge 2003; Goldberg 1990; McCrae 2009; McCrae and Costa 1985, 1987, 1999). The FFM is the most convenient and relevant model for this study of human personality traits and their impact on work performance because the model has been found to be the most effective in traits analysis and it is valid across cultures (Bono & Juudge, 2003; McCrea, 2009). The FFM comprises five core personality traits namely: Extroversion, Emotional stability or Neurotic-ism, Agreeableness or Antagonism, Conscientiousness; and Openness to experience. The FFM codification allows the identification of some theoretical trajectories. These trajectories mainly regard the empirical testing of the emerging associations between CEO emotional stability, extroversion, agreeableness, openness to experience and conscientiousness with strategic pro-activity and firm performance.

Each of the Big Five personality traits represents a multitude of other facets or personality related terms.

The Big Five while not completely exhaustive, it at least covers virtually all personality-related terms. The Five Factor Model depicting the categories of personality traits and the range of between two extremes of personality trait facets is presented in Figure 2.1

Figure 2.1: The Five Factor Model of personality traits



Source: Gray, (2017)



The “Big Five” are a broad category of personality traits. There is a significant body of literature supporting this five-factor model of personality although researchers do not always agree on the exact labels for each of the dimensions. Each personality factor represents a range between two extremes. For instance, extroversion represents a continuum between an extreme extrovert and extreme introvert, and in real world most people would lie somewhere in between the two extremes.

Many studies have been conducted on the OCEAN model and these traits somehow predict an individual’s workplace social and performance behaviour. Therefore, gaining a deeper understanding of the model can assist managers and workers to develop trust, warmth, and

cultivate a supportive workplace culture essential for high performance. CEOs with high positive score in this traits are likely to have higher levels of job related knowledge, as they are ever willing to learn more and more each time an opportunity comes along. Additionally, they are likely to have aspects of strong leadership traits like integrity and consciousness. However, they are likely to put work first before anything else and are not likely to be adaptive to changes or new situations. They focus on the performance of the organization although they are generally not very creative.

One of the limitations of the Big Five trait is that it is too broad. When the subject of study is too broad it is difficult to generalize. Finer aspects of a personality might not appear clearly using the big five trait models. Further, the Big 5 trait model is superficial. According to McAdams (1995), it is not possible to accurately assess the personality of a stranger in minutes. Additionally, the Big 5 trait theory is only descriptive. The theory describes personality accurately but it cannot delve into the details of how the traits form.

For purposes of the study, the Big Five trait theory is effective in the analysis of the personality traits of an individual CEO thereby shading light on the possible effect of such traits on the financial performance of the firm in question. Some of the personality traits that are imperative for CEOs such as openness, conscientiousness, extroversion, agreeableness and neurotics are captured using the Big Five personality trait model.

The Big Five Personality model was directly linked to the five specific objectives of the study and as such relevant and appropriate for this study in regards to examining possible effects of personality on the financial performance of insurance firms in Kenya. In line with the first objective of the study, the research investigation sought to establish the effects of CEO`s Openness on the financial performance of insurance companies in Kenya. In line with the second objective of the study, the research investigation sought to determine the effects of CEO`s Conscientiousness on the financial performance of insurance companies in Kenya. In line with the third objective of the study, the research investigation sought to assess the effects of CEO`s Extroversion on the financial performance of insurance companies in Kenya. In line with the fourth objective of the study, the research investigation sought to examine the effects of CEO`s Agreeableness on the financial performance of insurance companies in Kenya. In line with the fifth objective of the study, the

research investigation sought to assess the effects of CEO's Neurotic-ism (Emotional stability) on the financial performance of insurance companies in Kenya.

2.2.2 Upper Echelons Theory

According to Hambrick (2007), one of the best ways of understanding a particular firm's performance is to consider its fundamental biases and dispositions of influential actors at the top or the executives. The upper echelons theory holds that the managers' characteristics are a critical factor in predicting the outcomes of a firm's performance. The upper Echelons theory argues that the CEO personal characteristics such as behaviour, personality traits and values have a significant influence on a firm's performance (Hambrick, 2007; Hambrick & Mason, 1984). The values and cognitive-based influence of the executive significantly influence strategic management practices of firms.

According to Opong (2014), one of the main criticisms of the upper echelons theory is its limited ability to evaluate the influence of a CEO on the performance of an entity in precise manner due to the fact that it is a demographic analysis. In the upper echelons theory mode of analysis, personal factors like values, power, interests and personality are the unobservable variable. The challenge comes in when trying to uncover the specific behaviour or a combination of behaviours and character traits that causes a CEO to influence an entity in a particular manner.

The upper echelons theory connected with the study because it opines that an individual's knowledge base, abilities, values, and ability to process information greatly influence the decision-making process (Hambrick, 2007). Therefore, their personality traits, values, preferences, and leadership style will have a significant effect on their organizations performance (Hambrick, 2007; Hambrick & Mason, 1984).

The upper echelons theory connected with the study because it opines that an individual's knowledge base, abilities, values, and ability to process information greatly influence the decision-making process (Hambrick, 2007). Therefore, their personality traits, values, preferences, and leadership style will have a significant effect on their organizations performance (Hambrick, 2007; Hambrick & Mason, 1984). This theory was relevant although not appropriate for this study which

sought to assess the effect of CEO`s personality traits on the financial performance of insurance firms in Kenya

2.3 Empirical Review

This section presented past researchers` overview of CEO psychology and its effects on financial performance alongside a review of past studies conducted and the research findings in line with each specific objective of the study. It portrayed the research methodologies employed, the recommendations formulated and the reasons explaining the relevance of the studies to the current study.

2.3.1 CEO Psychology and Financial Performance

Strategy researchers suggest that a CEO is an important member of the firm`s dominating coalition and as such has a profound impact on the strategic developments, directions and performance of the firm (Hambrick & Mason, 1984; Peterson et al., 2003). Hambrick (1994) criticized those studies that treat a CEO just as another mere member of the top management team (TMT) of a firm. Hambrick noted that every observation and empirical evidence portrays the CEO as having a disproportionate and sometimes dominating influence on his firm. Finkelstein and Hambrick (1996) contended that the CEO does not only have the overall responsibility for the firm`s management but also the CEO`s characteristics are of serious consequences to the firm outcomes. Great deal of researchers while studying CEOs have often applied the demographic attributes as proxies for deeper psychological constructs (Carpenter, Geletkancycz, & Sanders, 2004). These demographic variables which include age, experience and education enable a researcher to effectively assess attributes like background and expertise relevant for CEO`s decision making (Hambrick & Mason 1984). However, the usage of these demographics variables as proxies of CEO`s psychological traits leaves researchers in lost contemplation as to the real psychological traits that drive the CEO`s behaviour (Carpenter et al., 2004), as well as undermining the effectiveness of theories underpinning the links between psychological character traits of CEOs and firm outcomes, and increases the chances of incorrect interpretation of findings (Lawrence, 1997).

Lawrence (1997) termed these shortcomings as a black box. In order to mitigate these limitations, recent studies have paid attention to CEO psychology, highlighting how CEO broadly appraise themselves and their relations to their immediate environments and across situations (Hiller & Hambrick, 2005). The proposition of the current research is that CEO face various stimuli characterized by lots of contradictions, ambiguity and complexity such that their personality comes into play on how they receive, sieve, process and disseminate information. In other word, this shows how the CEO construes reality of strategic situations and how he evaluates strategic options and responses leads the CEO towards certain choices (Finkelstein & Hambrick, 1996). There is empirical evidence which contends that CEO personality traits influence their strategic choices, which in turn influence firm performance.

Miller and Toulouse (1986) observed that CEO with internal “loci of control” (believe that they can control their success or failure), deploy product innovation strategies while CEOs with high appetite for achievement chose broad market strategies. Chatterjee and Hambrick (2007) contended that narcissistic CEO tend to choose bold strategies such as large acquisitions that draw public attention and may result in huge gains or losses.

2.3.2 CEO Personality and Financial Performance

A Personality characteristics mainly describe and predict human behaviour, not behaviour changes or development (Liao & Lee, 2009). One’s personality may have an impact on the quality of work being done or other job performance indicators. Although personality research has experienced a renaissance in the last 25 years, until the early-1980s most of the research on personality, particularly on workplace outcomes, concluded that personality did matter (Barrick, Mount, & Judge, 2001; Goldberg, 1993). For instance a number of studies have observed that conscientiousness is a valid predictor across performance measures in all occupations studied. Further, the big five personality traits plays a very significant role in developing employees’ performance which results in increased organizational output. And as such many personality psychologists have reached a consensus that the five personality constructs, referred to as the Big Five, are necessary and sufficient to describe the basic dimensions of normal personality (Mount and Barrick 1995). Many psychologists are now convinced that the best representation of trait

structure is provided by the five-factor model (McCrae and Costa 1997). These are specifically extroversion, conscientiousness, agreeableness, openness, and neurotic-ism or emotional stability.

There has been a lot of past studies including Kitces, Michael, and Meghaan Lurtz. 2018; Gillmert, A., & Persson, 2019; Wang and Chen 2020; Malhotra, Reus, Zhu & Roelofsen 2018; Peterson & Smith, 2003; Jermias, Gordon & Hrazdil, 2021; Gow & Larcker, 2016; O`Reilly, 2014; Waldman, 2015; Judge, 2015; Nadkarni & Herrmann 2010; Leo 2011; Kiplagat (2019) conducted to establish the effects of personality traits on performance. Kitces, Michael, and Meghaan Lurtz, (2018) explored the defining personality traits of financial planners in Washington. They observed that conscientiousness, agreeableness and low emotional stability have a significant positive effect on the performance of a financial advisor while extroversion has a less significant impact.

Gillmert and Persson (2019) explored the relationship between CEO conscientiousness, short-term stock market reactions and CEO acquisitiveness in Sweden. Their findings concur with those of Kitchens, Michael, and Meghaan Lurtz since they also noted that conscientiousness has a positive impact on acquirer short-run cumulative abnormal returns although it has significant negative impact on M&A bid premiums. In another study, Wang and Chen (2020) investigated the CEO personality's impact on both operational and financial performance. Their findings were on one hand in agreement with those of Kitchens, Michael and Meghaan Lurtz (2018) as they observed that CEO agreeableness and emotional stability improved cost efficiency. On the other hand unlike Kitchens Michael and Meghaan who observed that CEO extroversion had a less significant positive effect on performance, Wang and Chen (2020) observed that extroversion had a significant positive effect on general performance and that CEO conscientiousness reduces cost efficiency while openness to experience has negative effect on profitability.

Further, Malhotra, Reus, Zhu and Roelofsen (2018) explored how CEOs` extroversion influences mergers and acquisition behavior of firms. The study revealed that extroverted CEOs are more likely than other CEOs to succeed in mergers and acquisitions, as reflected by stronger abnormal returns following acquisition announcements. These findings are contrary to Kitces, Michael, and Meghaan Lurtz, (2018) who contended that extroversion has a less positive significant effect on performance.

Peterson and Smith (2003) explored one mechanism by which leader personality affects organizational performance. To test their hypotheses, the authors used the group dynamics q-sort method. They found out that the CEO personality had a significant effect on the TMT group dynamics. The findings of Peterson & Smith, (2003) concurred with the observations made by Jermias, Gordon & Hrazdil, (2021) who used IBM Watson Personality Insights to explore how CEO risk tolerance and corporate governance structures are associated; and whether misalignment of these structures with risk tolerance is negatively associated with financial performance. The authors' findings indicated that CEO risk tolerance is positively related to board independence and board members' nationality mix while CEO duality is negatively related to CEO risk tolerance.

Based on two samples of high quality personality data for chief executive officers, Gow & Larcker, (2016) used linguistic features extracted from conferences calls to develop a measure of CEO personality in terms of the Big Five traits: agreeableness, conscientiousness, extroversion, neurotic-ism, and openness to experience. The authors argued that personality measures exhibit substantial out-of-sample predictive performance and are stable over time. Openness was positively associated with R&D intensity and negatively with net leverage; whereas conscientiousness was negatively associated with growth. In performance tests, extroversion was negatively associated with both contemporaneous and future return on assets and cash flow.

Further, Waldman, (2015) studied the effects of CEO humility on firm performance. The author found out that CEO humility correlated positively with TMT integration, negatively with vertical pay disparity. TMT integration correlated negatively with vertical pay disparity and positively with ambidextrous strategic orientation. Ambidextrous strategic orientation was positively associated with firm performance. Similarly, Leo, (2011) investigated whether Honesty-humility predicts supervisor rating of job performance among employees who provided care for challenging clients. The author noted that Honesty-Humility correlated positively with supervisor ratings of overall job performance and was a unique predictor of performance ratings over and above the five other main factors in the model (Emotionality, Extroversion, Agreeableness, Conscientiousness, and

Openness to Experience). Thus Honesty–Humility appears to be an important personality trait in predicting job performance in care-giving roles. The positive correlation between CEO humility with TMT integration denotes the importance of humility – a new trait in the market for evaluating group dynamics.

Additionally, O`Reilly, (2014) revealed that CEO personality affects a firm`s culture and that culture is subsequently related to a broad set of organizational outcomes including a firm`s financial performance. That CEO personality dimensions are related to organizational culture (higher levels of Agreeableness and lower levels of Neurotic-ism are associated with more collaborative cultures) and that culture is related to firm outcomes (e.g., more adaptable cultures have a higher performance).

On the one hand Judge, (2015) observed that all the five traits were more predictive of performance for jobs in which the process by which the work was done represented weak situations (if work was unstructured, employee had discretion to make decisions). Many of the traits also predicted performance in job contexts that activated specific traits (extroversion better predicted performance in jobs requiring social skills, agreeableness was less positively related to performance in competitive contexts, openness was more strongly related to performance in jobs with strong innovation/ creativity requirements).On the other hand Nadkarni, (2010) studied the perceived relationship between CEO personality, strategic flexibility and firm performance in Indian offshore outsourcing industry. Judge (2015) and Nadkarni (2010) observed that Extroversion has a significant positive impact on performance, although unlike Judge (2015), Nadkarni observed that agreeableness has an inverted relationship with performance. Further Nadkarni observed that openness and emotional stability have a positive relationship with strategic flexibility. Conscientiousness has a negative relationship with strategic flexibility.

Further, on one hand Heineck (2007) observed that from a United Kingdom perspective the relationship between Agreeableness and performance was negative whereas Openness to experience affects performance in a positive manner. Conscientiousness and performance revealed a non-linear relationship. On the other hand Judge, Higgins, Thoresen and Barrick

(1999) concluded that agreeableness trait is a good predictor of employees' performance where the jobs require teamwork and these findings are also confirmed by Neuman and Wright (1999). So overall researchers are in consensus that agreeableness is significant positive predictor of job performance of employees.

Additionally, Kiplagat, (2019) observed that the CEO's optimism, humility and narcissism all had a positive effect on innovation of financial institutions in Kenya. The author contends that in order for financial institutions to be innovative they need CEO who are optimistic and who epitomize visionary objectives to be committed to innovation.

Generally, most of previous studies suggest that CEO's personality traits affect performance with each trait influencing performance positively or negatively. However the researchers have varying conclusions on the effects of each of the five personality traits on performance depending on the background set up of the study, the industry under study among others. For instance Judge, (2015) observed that all the five traits were more predictive of performance for jobs in which the process by which the work was done represented weak situations (if work was unstructured, employee had discretion to make decisions). Many of the traits also predicted performance in job contexts that activated specific traits (extroversion better predicted performance in jobs requiring social skills, agreeableness was less positively related to performance in competitive contexts, and openness to experience was more strongly related to performance in jobs with strong innovation/creativity requirements). Conversely, Nadkarni, (2010) studied the perceived relationship between CEO personality, strategic flexibility and firm performance in Indian offshore outsourcing industry. The author observed that Extroversion, openness and emotional stability have a positive relationship with strategic flexibility. Conscientiousness has a negatives while agreeableness has an inverted relationship with strategic flexibility. Because of these inconsistencies in researchers' findings, it is interesting for the current study to fill this knowledge gap by examining the effect of each of the five CEO personality traits on the financial performance of insurance companies in Kenya.

2.4 Summary of Literature Review and Research Gaps

Following the publication of two very influential reviews, Stogdill (1948) and Mann (1959), a conclusion was that personality consistently predicts leadership (defined primarily in terms of emergence), suggesting that organizational context plays a major role in determining which personality factors will be important for success.

In regard to studies Kitces, Michael, and Meghaan Lurtz. 2018; Gillmert & Persson 2019; Wang & Chen 2020; Malhotra, Reus, Zhu & Roelofsen 2018; Peterson & Smith, 2003; Jermias, Gordon & Hrazdil, 2021; Gow & Larcker, 2016; O`Reilly, 2014; Waldman, 2015; Judge, 2015; Nadkarni & Herrmann 2010; Leo 2011; Kiplagat (2019) conducted to establish the effects of personality traits on performance, and in particular from the reviewed literature there was no specific research conducted to establish the effect of each of the CEO personality traits on the financial performance of insurance companies in Kenya.

Besides that, with reference to past studies (Kiplagat 2019) conducted to establish the effect of personality on performance, there was limited research conducted to establish the effect of CEO personality traits on the financial performance of insurance companies in Kenya. Accordingly, this study seeks to address the existing research gap by establishing the effect of each of the five CEO`s personality traits on the financial performance of insurance companies in Kenya. Additionally, due to the inconsistency of findings by most researchers on the effects of each of the CEO`s personality traits on performance (Judge 2015; Nadkarni, 2010), the current study seeks to address this gap and enhance knowledge by examining the effect of each CEO personality trait on the financial performance of insurance companies in Kenya.

Further, majority of past studies have used traditional measures of financial performance. This research study sought to not only use the over researched traditional financial performance measures like Asset turnover and profitability, but also considered contemporary measures of financial performance such as claims ratio, average cost per claim, and underwriting risk. The research used hand-collected data via closed ended questionnaires on the CEO personality traits, a kind of data that is hard to procure yet very crucial in unveiling the true financial performance and image of any entity.

Kannadhasan and Nandagopal, (2009) revealed that a significant statistical relationship exists between the firm size and the strategic application that determines performance. The size of a firm is determined by attributes such as the asset base, annual returns and employee size. To identify the contingent factors that determine performance and leadership dynamics, these firm attributes become the control variables in the relationship between the practices adopted in the entity and the financial performance. Therefore it would be interesting to note how firm attributes impact on the financial performance of insurance firms in Kenya.

The summary of the empirical literature review and the gaps to be addressed is presented in Figure 2.2

Figure 2.2: Summary of Literature Review and Research Gaps

Name of the Study	Purpose of the research	Findings	Research gap	Response to the Gaps
Kitches, Michael, and Meghaan Lurtz, (2018)	To establish and defining personality traits of financial planners in Washington.	The study observed that conscientiousness, agreeableness and low emotional stability have a significant positive effect on the performance of a financial advisor while extroversion has a less significant impact	A knowledge gap existed in assessing how openness to new ideas affects performance	The study established that openness to new ideas had a significant positive effect on performance of insurance firms in Kenya for both the CEO and other management staff.
Gillmert and Persson (2019)	To determine relationship between CEO conscientiousness, short-term stock market reactions and CEO acquisitiveness in Sweden.	The study noted that conscientiousness has a positive impact on acquirer short-run cumulative abnormal returns although it has significant negative impact on M&A bid premiums.	A knowledge gap existed in investigating how Openness to new ideas, Extroversion, Agreeableness and Emotional stability affect performance	The study ascertained that Openness and agreeableness have a significant positive effect on performance for both the CEO and other management staff. Extroversion has a significant negative effect for the CEO Emotional stability has insignificant effect for both groups.

Wang and Chen (2020)	To investigated the CEO personality's impact on both operational and financial performance.	The study noted that CEO agreeableness and emotional stability improved cost efficiency. Extroversion had a significant positive effect on general performance and that CEO conscientiousness reduces cost efficiency while openness to experience had negative effect on profitability.	A knowledge void existed in assessing if the firm attributes: employee size, asset level and annual revenue as control variables of personality traits effects on performance	The study established that only one attribute; Annual revenue had a significant positive effect on performance of insurance companies in Kenya as per the CEO
Malhotra, Reus, Zhu and Roelofsen (2018)	To investigate how CEO extroversion influences mergers and acquisition behaviour of firms.	The study revealed that extroverted CEO are more likely than other CEO to succeed in mergers and acquisitions, as reflected by stronger abnormal returns following acquisition announcements.	A knowledge gap existed in determining how Openness to new ideas, Conscientiousness, Agreeableness and Emotional stability affect performance	The study ascertained that Openness and agreeableness have a significant positive effect on performance of insurance companies in Kenya for both the CEO and other management staff.
Judge, (2015)	To establish effects of personality where work done represented weak situations (if work was unstructured,	The study observed that all the five traits were more predictive.(extroversion-jobs requiring social skills, agreeableness-less positively related to performance in competitive contexts, openness_more strongly	A knowledge void existed in assessing if the firm attributes: employee size, asset level and annual revenue as control variables of personality traits effects on	The study established that only one attribute; Annual revenue had a significant positive effect on performance of insurance companies in Kenya as per the CEO

	employee had discretion to make decisions).	related to performance in jobs with strong innovation/ creativity requirements)	performance	
Nadkarni, (2010)	To establish perceived relationship between CEO personality, strategic flexibility and firm performance in Indian offshore outsourcing industry.	The study observed that Extroversion has a significant positive effect on performance. Agreeableness has an inverted relationship with performance, openness and emotional stability a positive relationship with strategic flexibility. Conscientiousness a negative relationship with strategic flexibility.	A knowledge void existed in assessing if the firm attributes: employee size, asset level and annual revenue as control variables of personality traits effects on performance	The study established that only one attribute; Annual revenue had a significant positive effect on performance of insurance companies in Kenya as per the CEO
Kiplagat, (2019)	To establish effects of CEO's optimism, humility and narcissism on innovation of financial institutions in Kenya.	The study observed that CEO's optimism, humility and narcissism all had a positive effect on innovation of financial institutions in Kenya.	A knowledge gap existed in assessing how Openness to new ideas, Conscientiousness, Extroversion, Agreeableness and Emotional stability affect performance	The study established that openness to new ideas had a significant positive effect on performance of insurance firms in Kenya for both the CEO and other management staff.

Source: Researcher (2021)

2.5 The Conceptual Framework

The objectives of the study were to examine the relationship between each facet of CEO's personality traits and the financial performance of insurance companies in Kenya. To facilitate the examination and achievement of the study's objectives, CEO's five personality traits, namely

Openness, Conscientiousness, Extroversion, Agreeableness and Neurotic-ism or emotional stability formed the independent variables. The financial performance of insurance firms was assessed in terms of claims ratio, average time to settle claims, average cost per claim, profitability and liquidity served as the dependent variables of the study. CEO personality traits interact with the corporate governance mechanisms and structures of a firm, which influences insurance firms' performance. Therefore, firm performance was dependent on the changes in the independent variables. The control variables can have an effect on the financial performance. According to Kannadhasan and Nandagopal (2009), a significant statistical relationship exists between the firm size as defined by total assets and the strategic application that determines performance. To that extent, distinct control variables were annual revenue, total assets and employee size.

Figure 1: Conceptual Framework

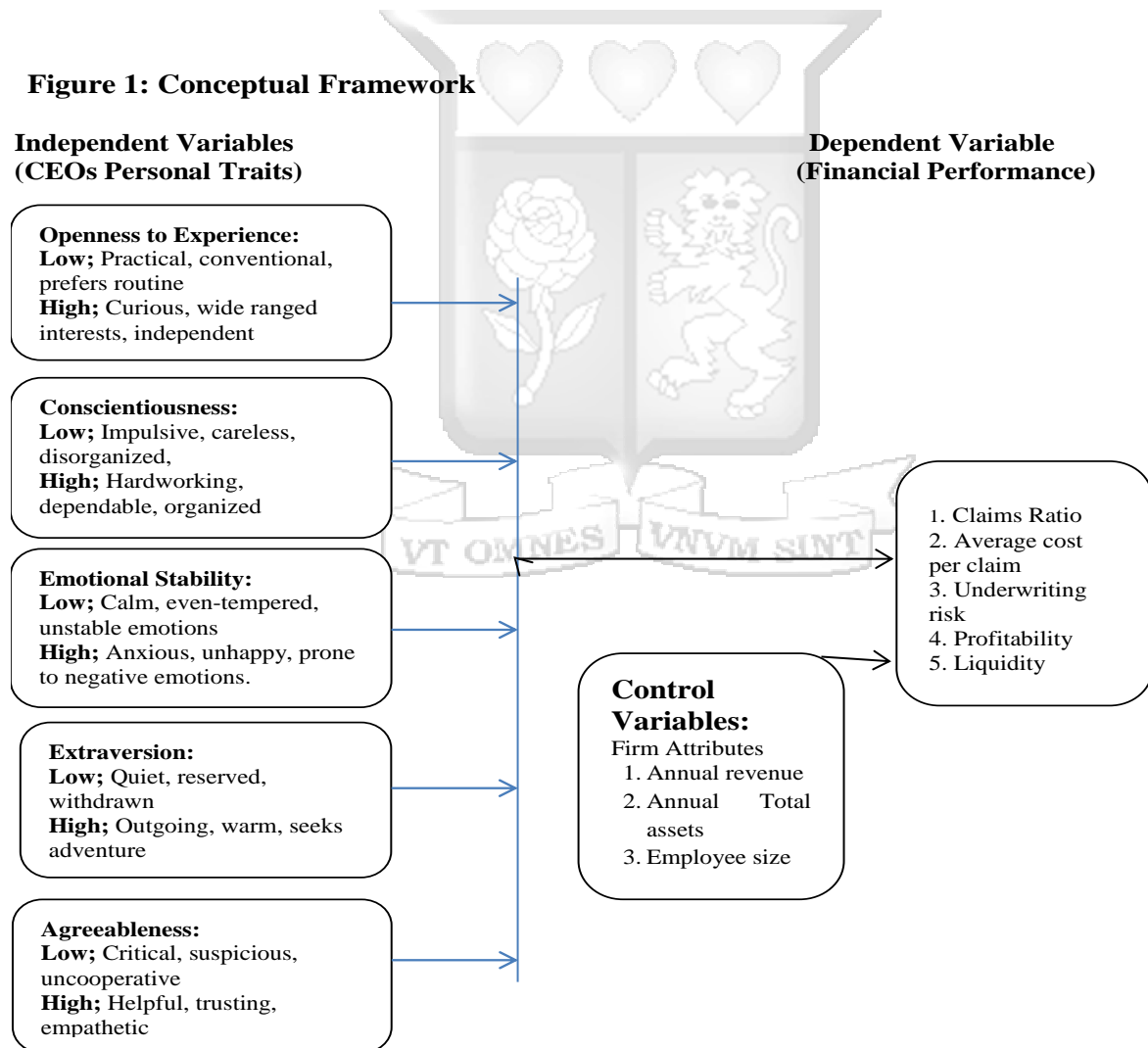


Figure 2.3: The Conceptual Framework depicting the Relationship between the CEO Personality traits and the Financial Performance of Insurance Firms in Kenya.

Source: Researcher (2021)

2.6 Operationalization of variables

Figure 2.4 below presented how the study variables were operationalized

Figure 2.4: Operationalization of Variables

Dependent Variable	Variable Constructs	Measurement	Scale	Supporting Literature	Supporting Theories
Financial performance	Claims Ratio, average cost per claim, underwriting risk, profitability, & liquidity.	5point likert scale	5point likert scale of extent of agreement	Chatterjee, & Hambrick, (2007). Chatterjee, & Hambrick, (2011).	The Big Five Personality Trait Model Upper Echelons Theory.
Independent Variable CEO Openness	Low score Practical, conventional, prefers routine High score Curious, wide range of interests, independent	5 point likert scale	5point likert scale of extent of agreement	(Chatterjee, & Hambrick, 2011); Judge et al., (2002); Nadkarni & Narayanan, (2007); Shimizu & Hitt, (2004)	The Big Five Personality Trait Model Upper Echelons Theory
CEOs Extraversion CEOs	Low score Quiet, reserved, withdrawn High score Outgoing, warm, seeks adventure	5 point likert scale	5point likert scale of extent of agreement	Kotter, (1982); Kraatz, (1998); Davis & Greve, (1997); Johnson, et al., (2003)	The Big Five Personality Trait Model Upper Echelons
CEOs Emotional Stability	Low score Calm, even-tempered, unstable emotions High score Anxious, unhappy, prone to negative emotions	5 point likert scale	5point likert scale of extent of agreement	Peterson et al., (2003); Johnson et al., (2003); Shimizu & Hitt, (2004); House & Howell, (1992)	The Big Five Personality Trait Model Upper Echelons
CEOs Agreeableness	Low score Critical, uncooperative, suspicious High score Helpful, trusting, empathetic	5 point likert scale	5point likert scale of extent of agreement	Peterson et al., (2003); Nadkarni & Narayanan, (2007); Shimizu & Hitt, (2004)	The Big Five Personality Trait Model Upper Echelons

CEOs Conscientiousness	Low score Impulsive, careless, disorganized High score Hardworking, dependable, organized	5 point likert scale	likert	5point likert scale of extent of agreement	Johnson et al., (2003); Shimuzi & Hitt, (2004); Nadkarni & Narayanan, (2007)	The Big Five Personality Trait Model Upper Echelons
Control Variables Firm Attributes	-Annual Revenue -Annual total assets -Employee size	5-point scale	likert	5point likert scale of extent of agreement	Kannadhasan & Nandagopal (2009)	The Big Five Personality Trait Model Upper Echelons Theory

Source: Researcher (2021).



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presented the methodological approaches that the study used to collect data, to determine the sample size of the respondents, sample the respondents, assess the validity and reliability of the research instrument and analyse data.

3.2 Research Philosophy

A research philosophy denotes the guiding principle that pilots the way a researcher should conceive a research problem, select a particular research design, how data should be obtained, analyse and used to represent a certain reality (Zukauskas, Vveinhardt & Andriukaitiene, 2018). There exists three primary social research philosophies, namely, positivism, interpretivism and pragmatism (Al-Ababneh, 2020). Positivists contend that the truth exists as an external reality and it is completely autonomous from the researched elements and the researcher (Bleiker, Morgan-Trimmer & Knapp, 2019). Positivism is focused on testing hypotheses involving causal association through operationalizing variables and using quantitative approaches involving structured questionnaires with predefined and pretested questions on a large sample to collect data, statistically analysing it for generalization and to test the problematised causal relationships (Park, Konge & Artino, 2020). This was the most appropriate philosophy for this study since it sought to establish the association between the CEO personality traits and the financial performance of insurance firms in Kenya and firm attributes served as control variables.

The study operationalized the appropriate variables and developed structured questions quantified on Likert-scales indicating the extent of agreement for statistical analysis. Then data was gathered from a large sample of respondents for analysis and the results generalized to test the hypothesized relationship between the variables and inferences were made to represent the objective knowledge of the studied phenomena. Similar research investigations (Heneck, 2007; Judge, Higgins & Barrick, 1999; Neuman & Wright, 1999; Kiplagat, 2019) employed this particular research philosophy to test the relationship between the personality and performance in different organizations and sectors.

3.3 Research Design

This study applied the descriptive correlation research design which was the most appropriate methodology to address its research objectives. Descriptive studies seek to establish, identify or describe the present state of affairs of a particular variable or variables but does not seek to identify the relationship between the variables (Ethridge, 2004; Doody & Bailey, 2016). Descriptive correlation design was appropriate since relationships between variables were tested. Causal research design involves studies that seek to determine how one or more variables affect the outcome variable (Apuke, 2017). Causal research design was not suitable for this study although just like descriptive studies it involves collection of quantitative data by use of structured questionnaires for instance, for statistical analysis to be used on the data gathered to enable testing of the hypothesized relationships (Fox & Bayat, 2008; Jefferys, 2018).

This study used structured questionnaires applying Likert scales of extent of agreement to retrieve the numerical data from the sample of respondents. The data was analysed using the regression analysis model to assess the relationship between the CEOs personality traits and the financial performance of insurance companies in Kenya. Besides, similar research investigations (Heneck, 2007; Judge, Higgins & Barrick, 1999; Neuman & Wright, 1999; Kiplagat, 2019) had applied this research design to establish how personality influenced performance. The descriptive research design was cross-sectional in nature, since data was collected from the respondents at only one point in time.

3.4 Population of the Study

The total population of registered insurance companies in Kenya was 49 (IRA, 2020). Some offer general insurance, some life assurance while composite insurers sell both life and general insurance. On the other hand there are in total 215 registered insurance brokers in Kenya (IRA 2020).

The unit of analysis for this research investigation was the top management of registered insurance and intermediary companies who were the respondents of the study. Thus, the target population

comprised of the CEO, the CFO and Company secretary of the targeted insurance companies and the CEO and 2 other senior management staff of the targeted insurance intermediaries. Consequently, this represented 3 employees in senior management in each of the targeted Insurance companies and Insurance intermediaries. The study targeted this population of the managers because of the nature of their top, dominative and most influential position they hold in which case they are acquainted with adequate knowledge on aspects of the interactions between personality and firm performance for the organizations they work in. The study applied two levels of sampling where first the study did a purposive sample of the Insurance Companies and Insurance intermediaries from the total listed Insurance and intermediary companies in Kenya and then a second level sample. To enhance the analysis of the five personality traits and the various facets of each trait, Factor analysis technique was used to reduce the data which was then subjected to regression analysis and analysed using mean and standard deviation. The table below presents the target population of the study.

Table 3.1 Target population of the study.

Category	Total Population	Sample Firms in a Particular category
Insurance Companies(3 respondents from each)	49	43
Insurance brokers	215	58
Total	264	101

Researcher: Source (2021)

3.5 Sample and Sampling Techniques

As shown above. Additional a second level of sampling was done after picking 3 respondents from the insurance companies and insurance intermediaries targeted by the study. Purposive sampling method was applied by the study to select 3 from each of the Insurance Companies and Insurance intermediaries since it befits the need to improve the internal validity through careful selection of participants form this sample. A purposive sample is a non-probability sample and as such may not represent the entire population but for the sake of this study it is the most convenient and cost

effective. Thus the total sample size of the study representing the target population was 303 respondents. A sample size of 201 was arrived at after the second level sample determination.

Table 3.2 Sample Size Distribution

Category		Total Population	Sample Size from Each Category
Insurance Companies	CEOs	43	21
	CFO and Company secretary (2 from Each Firm)	86	42
Insurance brokers	CEOs	58	46
	Senior Departmental heads (2 from Each Firm)	116	92
Total		303	201

Source: researcher (2021)

3.6 Data Collection Methods and procedures

Structured questionnaires were the research instrument used to collect data from the targeted senior managers in order to assess their perceptions on the variables of interest. It contained questions measured on 5- point Likert scales of the extent of agreement that helped in obtaining quantitative data from the targeted senior managers for statistical analysis and interpretation (Zikmund et al., 2010). Structured questionnaires were deemed to be an appropriate data collection tool for this study since they are less costly and easier to administer (Kothari, 2004). Moreover, they cover large sample sizes and the data retrieved by this kind of research instrument can be easily statistically analysed (Kothari, 2004).

The questionnaire was divided into 4 sections as presented in Appendix Two. The first section (Section A) solicited the demographic information of the targeted firms and the general information of the respondents. The demographic information of the targeted firms that this study sought to retrieve were the average annual revenue turnover, total asset size, employee size and the insurance classification of the company. This information was used to establish the firm attributes of the insurance firms which assisted in addressing the sixth objective of this study. Considering that the sixth specific objective of this study sought to assess the moderating effect of firm attributes on the relationship between CEOs personality and the financial performance of

insurance companies in Kenya. Additionally, Section A sought to ascertain the gender, their professional experience, and education and certificate qualifications. The question items in Section A were on a categorical scale.

Section B sought to retrieve data on the perceptions of the effects of personality on financial performance of insurance firms and that helped to address the first, second, third, fourth and fifth specific objectives of this study. The personality measures were assessed by a 5-point Likert scale of the extent of agreement where, (1- strongly disagree, 2- disagree, 3- fairly agree, 4- agree and 5- strongly agree).

Section C sought to retrieve data on the perceived levels of financial performance since the inception of the current CEO which assisted in addressing the first, second, third, fourth and fifth specific objectives of this study. A 5-point Likert scale of the extent of agreement was used where, (1- strongly disagree, 2- disagree, 3- fairly agree, 4- agree and 5- strongly agree) was employed to establish the perceived levels of financial performance.

Finally, section D sought to retrieve the perceived effects of firm attributes on financial performance of insurance companies. A 5-point Likert scale of the extent of agreement (1- strongly disagree, 2- disagree, 3- fairly agree, 4- agree and 5- strongly agree) was employed. In regards to data collection procedure, the researcher after successfully passing the Proposal defence stage sought for the NACOSTI research permit letter which supported the researcher in collecting primary data from the field.

The researcher collected data between May and June, 2022. The researcher used the drop and pick and on-line data collection methods to administer the questionnaires to the sampled respondents. Necessary follow-ups were made through e-mails and phone calls and those respondents who were not able to respond to the questionnaires at the particular time that the researcher was able to contact them, were given an extension of 2 to 3 days for them to fill the questionnaires. The researcher procured the assistance of 2 research assistants who helped in the data collection exercise.

Interestingly, the study was able to achieve a fairly good response rate from the data collection process. One of the reasons why this study recorded a good response rate is because it upheld the principle of anonymity, whereby the respondents were advised not to record their names nor job titles on the questionnaires and this gave them confidence to participate in the study without fear of being identified. Further the name of their firms was held anonymous and this attribute made the respondents to record their responses with great confidence. Then the researcher used personal visits, phone calls and emails to introduce herself and the study she was conducting to the managers. After that an on-line questionnaire was sent to him/her via email. Thus, the respondent was able to record their responses at any time even at home and sent it back via email. Hence this type of technique of using an on-line survey proved to be very convenient and less costly thereby effectively boosting the response rate. Besides that, the type of respondents the study targeted who were the managers were very cooperative since they were very interested in the findings of the study that could help them formulate the training, appraisal and workshop programs that could help improve management personality related issues in the organizations.

3.7 Data Analysis Techniques.

To establish the perceived effects of personality on performance, descriptive analysis comprising of mean, standard deviation and ranking were used. Mean scores were employed to summarize the responses and provide a description of the perceived predictor rating of each personality measures while ranking method was able to portray the most perceived effective and ineffective predictor of performance. The SPSS software was used to perform the descriptive analysis and the results were presented in tables. Similar studies (Heneck, 2007; Judge, Higgins & Barrick, 1999; Neuman & Wright, 1999; Kiplagat, 2019) that sought to establish the perceived effects of personality on performance applied this type of data analysis technique to address their research objectives.

The study used both correlation analysis and multi-linear regression analysis. A correlation coefficient of 1 indicated that every positive increase in one variable, represented a positive increase of a fixed proportion in the other; a correlation coefficient of -1 indicated that every positive increase in one variable, influenced a negative decrease of a fixed proportion in the other. The results were presented in tables and graphs.

The level of significance was set at critical level or $P < 0.05$ and at a confidence level of 95%. ANOVA was used to test the hypothesis where $P < .05$ led to the rejection of the null hypothesis and accepting the alternative while $P > .05$ led to the accepting of the null hypothesis and rejecting the alternative hypothesis.

The model in this part showed the relationship between the CEO personality traits and the financial performance of insurance firms in Kenya and firm attributes served as control variables.

The binary logistic regression model for the study was therefore as follows;

$$\text{Log} (P / 1-P) = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + B_6D_s + B_7D_s + B_8D_s + \boldsymbol{\varepsilon} \text{ was used}$$

Where:

$\text{Log} (P / 1-P)$ = Performance of Insurance Companies in Kenya (the dependent variable) which was categorized as follows: likert scores between 3-5 were regarded as P = good performance and likert score between 1-2 were regarded as $1-P$ = Poor or Bad performance.

X_1 = CEO`s openness

X_2 = CEO`s conscientiousness

X_3 = CEO`s Emotional stability

X_4 = CEO`s Extroversion

X_5 = CEO`s Agreeableness

D_s = Annual Revenue

D_s = Annual Total Assets

D_s = Employee Size

β_1, β_5 = coefficient of variables (Measurement of the strength of each independent variable in relation to the dependent variable).

β_0 = a constant which is the value of dependent variable when all the independent variables are zero

D_s = dummy variable for control variable (firm attributes (Annual Revenue, Annual Total Assets and Employee Size)).

ϵ =Probabilistic error term (This explains variations in financial performance of insurance firms as explained in the regression)

3.8 Research Quality

The research quality was determined by the validity and reliability of the research instrument. A pilot study was conducted in order to assess the content validity of the questionnaire. It sought the expert recommendations of the respondents that was used to ensure that the question items were sufficient and that they appropriately represented the variables/constructs they intended to measure before administering the final questionnaire. The pilot test was carried out on a sample of 19 senior managers who represented 10% of the aggregate sample size. This figure was deemed appropriate since Connelly (2008) posited that 10% of the total sample size is enough and reliable for pilot tests. The sampled respondents of the pilot study were not to be considered in the final study in order to avoid biases.

The study employed the Cronbach's alpha test to evaluate the reliability of the questionnaire based on the items measured on a 5point Likert scale. It was used to determine the internal consistency of the questionnaire items. A Cronbach's alpha figure of 0.7 and above denotes that the questionnaire items are internally consistent (Bonett & Wright, 2015). Thus, the questionnaire can be relied on to collect data and the data subjected to statistical analysis and interpretation (Bonett & Wright, 2015). Consequently, this was the guiding principle that the study used to assess the reliability of the questionnaire. After the pilot study was conducted, the primary data was analyzed in SPSS by the Cronbach's Alpha model and the findings were presented in Table 3.2.

Table 3.2: Reliability test Results

CEO`s Personality Traits	Cronbach's Alpha	No. of Items
Openness to experience	0.969	5
Conscientiousness	0.969	5
Extraversion	0.970	4

Agreeableness	0.969	4
Emotional stability (Neuroticism)	0.968	4
Level of Financial Performance		
Claims Ratio	0.969	2
Average Cost per Claim	0.969	3
Liquidity	0.969	6
Profitability	0.969	4
Underwriting Risk	0.969	3

Source: Researcher (2021)

In Table 3.2, all the five personality trait comprising of openness to experience, conscientiousness, extroversion, agreeableness and emotional stability posted Cronbach’s alpha values of 0.969, 0.696, 0.970, 0.969 and 0.968 respectively, which were above the benchmark value of 0.7. This meant that all the questionnaire items in the scales of the five personality traits were internally consistent. Besides that, all the performance measures which included claims ratio, average cost per claim, liquidity, profitability and underwriting risk all posted a uniform Cronbach’s alpha value of 0.969 which were above the benchmark value of 0.7. This meant that all the questionnaire items in the scales of the five personality traits measures as predictors of financial performance were internally consistent. Accordingly, the questionnaire was deemed reliable for the main data collection exercise. The study also carried out a factors analysis to test the reliability of the questionnaire in terms of the Interdependency and pattern delineation of the answers in the questionnaire. The results are indicated in Table 4.22.

3.9 Ethical considerations

The study sought a research permit letter from NACOSTI that helped the researcher to collect data from the respondents in order to show that the research investigation was indeed a credible one. Moreover, the credibility of the survey instrument that was used to collect data to be relied on was assessed in terms of its reliability by using the Cronbach’s Alpha model and the validity was assessed in terms of the information assessing that the constructs were relevant and sufficient through employing factor analysis.

The researcher provided the respondents with an assurance of data confidentiality that they were used solely for academic purposes and that there was no disclosure of the names. Additionally, participation in the study was voluntary. No respondents were compelled to participate in the interview. The Strathmore University's Internal Review Board provided ethical clearance before commencement of data collection. The researcher upheld honesty and integrity by properly acknowledging and paraphrasing concepts and data retrieved from other sources and used in this work. This is an important ethical issue because the use of peoples` work in building one`s own work without acknowledging them is equated to stealing their academic resources. The consequences of such actions is negative ramifications such as heavy penalties or prosecution in other countries. Aside from that, information touching on top officers `personality is very sensitive and confidential.



CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF RESEARCH FINDINGS

4.1 Introduction

The purpose of this study was to find out the relationship between CEO personality traits and the financial performance of insurance companies in Kenya. This chapter therefore presents results and discussions of the study from the data collected from the questionnaires; whereby the researcher sorted views and opinions on the relationship between CEO personality traits and the financial performance of insurance companies in Kenya.

4.1.1 Response Rate

The study sampled 63 respondents from Insurance companies and 138 respondents from Insurance Intermediaries. The respondents included the CEO, the CFO and Company secretary of the targeted insurance and intermediary companies. Therefore a total of 201 questionnaires were issued but only 122 questionnaires were correctly and fully filled by the respondents. They included 44 respondents from the insurance companies and 78 respondents from Insurance Intermediaries. The researcher then collected questionnaires to enable data analysis. The researcher used the drop and pick and on-line data collection methods to administer the questionnaires to the sampled respondents. The response rate was **60.1%** that was considered very adequate. Nulty (2008) suggests that a response rate of 50% or more is considered acceptable in social research while Fincham (2008) proposed of achieving a response rate approximating 60% or more in any social research.

Table 4.1 Response Rate

Category		Targeted Sample	Responded	Did not Respond	Response Rate
Insurance Companies	CEO	21	14	7	66.7%
	CFO and Company Secretaries	42	30	12	69.8
Insurance intermediaries	CEO	46	20	26	43.2%
	Senior Departmental Heads	92	58	34	56.3%
Total		201	122	79	60.1%

Source: Researcher (2022)

The findings of the study indicated an average response of 60.1% of the total respondents covered by the study. According to the response, there was a 66.7% response rate for the insurance companies CEO covered by the study and another 63.2% response among the insurance company intermediaries CEO 69.8% for CFO and Company Secretaries from the Insurance Companies while 56.3% response rate was registered by Senior Departmental Heads from Insurance intermediaries.

4.2 General Information

4.2.1 Demographic Information of the Respondents

The study had sought to establish the demographic information of the respondents; demographic information provides data regarding research participants and is necessary for the determination of whether the individuals in a particular study are a representative sample of the target population for generalization purposes. The response was as follows.

Table 4.2 Demographic Information of the Respondents

Category	CEOs		Other Management Staff	
	N	(%)	N	(%)
Gender				
Male	21	61.8	64	72.7
Female	13	38.2	24	27.3
Total	34	100.0	88	100.0
Experience of the Respondents				
Below 2 Years	1	2.9	14	15.9
2-5 Years	13	38.2	34	38.6
6-10 Years	13	38.2	26	29.6
Above 10 Years	7	20.6	14	15.9
Total	34	100.0	88	100.0
Education Levels				
Certificate	0	0.00	10	11.4
Diploma	4	11.8	18	20.4
Bachelor's Degree	19	55.9	38	43.2
Master's Degree	11	32.4	22	25.0
Total	34	100.0	88	100.0
Age				
Below 21	0	0.0	7	8.0
21-30	11	32.4	32	36.4
31-40 Years	15	44.1	31	35.2
41-50 Years	5	14.7	10	11.4
Above 50 Years	3	8.8	8	9.0
Total	34	100.0	88	100.0

Source: Researcher (2022)

The findings of the study indicated that out of the 122 respondents who participated in the study, 61.8% of the CEOs were male while 38.2% of them were female. The results also indicated that 72.7% of the other management staff were male while 27.3% of them were female. This revealed a gender imbalance among the respondents.

In regard to work experience the study indicated that among the CEO 2.9% had work experience of below 2 years, 38.2% had an experience of more than 2 years, 38.2% had a work experience of more than 6 years and 20.7% had a work experience of above 10 years. Among the other management staff 15.9% had a work experience of below 2 years, 38.6% had work experience of more than 2 years, 29.6% a work experience of more than 6 years and 15.9% a work experience of above 10 years.

In regard to education level, the study revealed that among the CEOs 0.00% had certificate, 11.8% had diploma, 55.9% had bachelor's degree and 32.3% had masters degree. Among the other management staff 11.4% had certificate, 20.5% had diploma, 43.1% had bachelor's degree and 25% had masters degree.

In regard to the age of the respondents the study revealed that among the CEO 0.00% were aged below 21 years, 32.4% were aged above 21 years, 44.1% were aged above 31 years, 14.7% were aged above 41 years and 8.8% were aged above 50 years. Among the other management staff 8% were aged below 21 years, 36.4% were aged above 21 years, 35.2% were aged above 31 years, 11.4% were aged above 41 years and 9% were aged above 50 years.

4.2.2 Firms attribute

Table 4.3` Firms attribute

Category	Frequency (N)	Percentage (%)
Annual Revenue of the Insurance Company		
Less 250 Million	18	14.8
260-500 Million	39	32.0
510-750 Million	12	9.8
760Million - 1 billion	22	18.0
More than 1 Billion	31	25.4
Total	122	100.0
Average Asset Base		
Less 250 Million	10	8.2
260-500 Million	27	22.1
510-750 Million	32	26.2
760Million - 1 billion	23	18.9
More than 1 Billion	30	24.6
Total	122	100.0
Firms Employee Size		
Less 100 Employees	4	3.3

110-200 Employees	31	25.4
210-500 Employees	10	8.2
510-750 Employees	28	23.0
760-1000 Employees	12	9.8
More than 1000 Employees	37	30.3
Total	122	100.0

Source: Researcher (2022)

The results indicated that 14.8% of the insurance companies and intermediaries had less than 250 Million in annual revenue, 32.0% did 260-500 Million in annual revenue, 9.8% had annual revenue of 510-750 Million while another 18.0% had annual revenue of 760 Million - 1 billion. The results also indicated that 25.4% had annual revenue of More than 1 Billion. This represented most of the Insurance companies covered by the study. The results also indicated that a good number of insurance companies had annual revenue of more than 250 Million Shillings which was a good performance.

The results indicated that 8.2% of the insurance companies and intermediaries had an asset base of less 250 Million, 22.1% had an asset base of 260-500 Million, 26.2% an asset base of 510-750 Million while another 18.9% had an asset base of 760 Million - 1 billion. The results also indicated that 24.6% an asset base of more than 1 Billion. This also represented most of the Insurance companies covered by the study. The results also indicated that a good number of insurance companies and insurance brokers had an asset base of more than 250 Million Shillings which was a good performance.

The findings of the study indicated that 3.3% had employees size of less than 100 employees, 25.4% had 110-200 Employees, 8.2% had 210-500 Employees while another 23.0% of the insurance companies and insurance brokers had an employee size of 510-750 staff members. The findings of the study also indicated that 9.8% of the insurance companies and insurance intermediaries had an employment size of 760-1000 employees while another 30.3% of these companies had an employee size of more than 1000 employees. This indicated that the insurance companies and insurance intermediaries covered by the study were equal employment contributors to the employment sector in Kenya.

4.3 Descriptive Statistics

Descriptive statistics is a summary statistics that quantitatively describes or summarizes features of a collection of information (Mann, 1995). Descriptive statistics is distinguished from inferential statistics or inductive statistics, in that descriptive statistics aims to summarize a sample, rather than use the data to learn about the population that the sample of data is thought to represent. This generally means that descriptive statistics, unlike inferential statistics, is not developed on the basis of probability theory, and are frequently non-parametric statistics (Trochim, 2006).

The study used a 5-point Likert scale (where 1= Strongly Disagree, 2= Disagree, 3= Fairly Agree, 4= Agree and 5= Strongly Agree) to collect data from the respondents. The analysis was based on the generated means and standard deviations from the findings of the data collected from the respondents. The interpretation of the mean was that 1-1.8 was interpreted as strongly disagree, 1.9-2.6 represents disagree, 2.7-3.4 was interpreted as fairly agree, 3.5-4.2 was agree and finally 4.3-5 was strongly agree (Kimeu, 2021).

4.3.1 CEO`s Openness to Experience

Table 4.4 CEO`s Openness to Experience

CEO`s Openness to Experience	CEOs			Other Management Staff		
	N	Mean	STDV	N	Mean	STDV
Has strong imagination, sets aside time for thinking and innovating new ways of doing things	34	3.0769	.64051	88	3.2667	1.04826
Generates original solutions to problems, has lots of ideas for change	34	3.0714	.82874	88	2.9667	.99943
Prepared to bend the rules and take risks to achieve change and adaptation	34	3.1429	.94926	88	3.1000	1.18467
Tries new ways of working, adapts quickly to change, prefers variety to routine	34	3.0714	.61573	88	2.9000	.92289
Bureaucratically adheres to rules thus hesitant to deviate from the norm	34	3.2857	.82542	88	3.2333	.93526

Source: Researcher (2021)

The results indicated that there was agreement that insurance companies CEO fairly agreed that they had a strong imagination, sets aside time for thinking and innovating new ways of doing things (where the mean score = 3.0769 and standard deviation of .64051) compared to the other management staff that registered (the mean score = 3.2667 and standard deviation of 1.04826)

indicating a fair agreement on the same. The findings show that there is fair agreement that the CEO in insurance companies covered by the study generate original solutions to problems, has lots of ideas for change (where the Mean score =3.0714, Standard Deviation= .82874) for CEO as compared to the other management staff that registered (mean score = 2.9667 and standard deviation of .99943).

The findings also indicate a fair agreement among the CEOs that they were prepared to bend the rules and take risks to achieve change and adaptation (where the Mean score = 3.1429, Standard Deviation= .94926) compared to the other management staff that registered (the mean score = 3.1000 and standard deviation of 1.18467). Results also indicated a fair agreement that the CEOs in the Insurance Companies covered by the study try new ways of working, adapts quickly to change, prefers variety to routine (where the Mean score = 3.0714, Standard Deviation= .61573) for CEOs as compared to the other management that registered (the mean score = 2.9000 and standard deviation of .92289)

The findings also revealed an agreements that CEOs Bureaucratically adheres to rules thus hesitant to deviate from the norm (where the Mean score = 3.2333, Standard Deviation= .93526). This shows that CEOs and other management staff felt that CEO's Openness to Experience factor had a fairly positive affect on the financial performance of insurance companies in Kenya.

4.3.2 CEO`s Conscientiousness

Table 4.6 CEO`s Conscientiousness

	CEOs			Other Management Staff		
	N	Mean	STDV	N	Mean	STDV
CEO`s Conscientiousness						
Gets down to work quickly, initiates activities and prepares in advance	34	3.0000	.78446	88	3.0667	.94443
Works hard, sets high standards, does more than is expected of him or her	34	2.7143	.72627	88	2.7667	.85836
Likes to be organized, keeps things tidy, does things according to a plan	34	3.0714	.91687	88	3.1333	.93710
Completes tasks, excels at work, gets things done efficiently	34	3.1429	.77033	88	3.1333	1.10589

Source: Researcher (2022)

The results indicated that there was agreement that insurance companies CEOs get down to work quickly, initiates activities and prepares in advance (where the Mean score= 3.0000 and standard deviation of .78446) was registered by CEOs compared to the other management staff that registered (the mean score = 3.0667 and standard deviation of .94443) indicating a fair agreement on the same. The findings show that there is agreement for both CEOs and other management staff the CEOs in insurance companies covered by the study work hard, sets high standards, does more than is expected of him or her (where the Mean score =2.7143, Standard Deviation= .72627) registered by CEOs as compared to the other management staff that registered (the mean score = 2.7667 and standard deviation of .85836). The findings also indicate an agreement for both CEOs and other management staff that the CEOs like to be organized, keeps things tidy, does things according to a plan (where the Mean score = 3.0714, Standard Deviation= .91687) for CEOs compared to the other management staff that registered (the mean score = 3.1333 and standard deviation of .93710). Lastly, the findings of the study indicated an agreement that the CEOs in the Insurance Companies covered by the study complete tasks, excel at work and get things done efficiently (where the Mean score = 3.1429, Standard Deviation= .77033) compared to the other management staff that registered (the mean score = 3.1333 and standard deviation of 1.10589). This shows that CEOs and other management staff felt that CEO's Conscientiousness factors fairly affected the financial performance of insurance companies in Kenya.

4.3.2 CEO`s Extroversion

Table 4.7 CEO`s Extroversion

CEO`s Extroversion	CEOs			Other Management Staff		
	N	Mean	STDV	N	Mean	STDV
Keeps busy, reacts quickly, always on the go, fills spare time with activity	34	3.1429	.86444	88	3.3000	1.05536
Likes to be surrounded by people, talks a lot, enjoys social occasions and social networks	34	2.8571	.77033	88	2.8333	.94989
Gets to know people quickly, cheers people up, enjoys contact	34	2.9286	.82874	88	2.6000	.81368

Source: Researcher (2022)

The results indicated that there was fair agreement for both CEOs and other management staff that insurance companies CEOs keep busy, react quickly, always on the go and fill spare time with activity (where the Mean score= 3.1429 and standard deviation of .86444) and (the mean score = 3.3000 and standard deviation of 1.05536) respectively. This indicated that there was fair agreement between both staff and the CEOs in the insurance companies that the CEOs keep busy, react quickly, always on the go and fill spare time with activity. The findings show that there is a fair agreement for both CEOs and other management staff that the CEOs in insurance companies covered by the study like to be surrounded by people, talks a lot, enjoys social occasions and social networks (where the Mean score =2.8571, Standard Deviation= .77033) registered by CEOs as compared to the other management staff that registered (the mean score = 2.8333 and standard deviation of .94989). Lastly, the findings of the study indicated a fair agreement by the CEOs in the Insurance Companies covered by the study that the CEOs get to know people quickly, cheers people up and enjoy contact (where the Mean score = 2.9286, Standard Deviation= .82874) compared to the other management staff that disagreed that the CEOs in the Insurance Companies covered by the study gets to know people quickly, cheers people up and enjoy contact (the mean score = 2.6000 and standard deviation of .81368).

4.3.3 CEO`s Agreeableness

Table 4.8 CEO`s Agreeableness

CEO`s Agreeableness	CEOs			Other Management Staff		
	N	Mean	STDV	N	Mean	STDV
Keeps quiet about achievements, avoids talking about self	34	2.7857	.89258	88	2.6333	.96431
Shows concern, listens well, makes people feel welcome	34	2.7143	.82542	88	2.5333	.89955
Behaves straight forwardly, does not manipulate or use people	34	2.7153	.82542	88	2.7353	1.04826
Believes that people have good intentions, trusts people	34	2.9286	.73005	88	2.6667	.95893

Source: Researcher (2022)

The results indicated that there is agreement by CEOs that insurance companies CEOs keep quiet about achievements and avoid talking about self-based (where the Mean score= 2.7857 and

standard deviation of .89258) was registered by the CEOs while the management staff disagreed that insurance companies CEOs keep quiet about achievements and avoid talking about self-based (where the Mean score= 2.6333 and standard deviation of .96431). The findings show that there is fair agreement by the CEOs that the CEOs in insurance companies covered by the study shows concern, listen well and make people feel welcome (where the Mean score =2.7143, Standard Deviation= .82542) was registered by the CEOs as compared to the other management staff who disagreed that the CEOs in insurance companies covered by the study shows concern, listen well and make people feel welcome (where the Mean score =2.5353, Standard Deviation= .89955). The findings also indicate a fair agreement between CEOs and other staff that the CEOs behave straight forwardly and do not manipulate or use people (where the Mean score =2.7153, Standard Deviation= .82542) for CEOs and (where mean score = 2.7353, Standard Deviation = 1.04826) for other management staff respectively. The findings of the study indicated a fair agreement that the CEOs in the Insurance Companies covered by the study believe that people have good intentions and trust people (where the Mean score = 2.9286, Standard Deviation= .73005) was registered by CEOs as compared to the management staff who disagreed that the CEOs in the Insurance Companies covered by the study believe that people have good intentions and trust people (where the Mean score =2.6607, Standard Deviation= .95893)

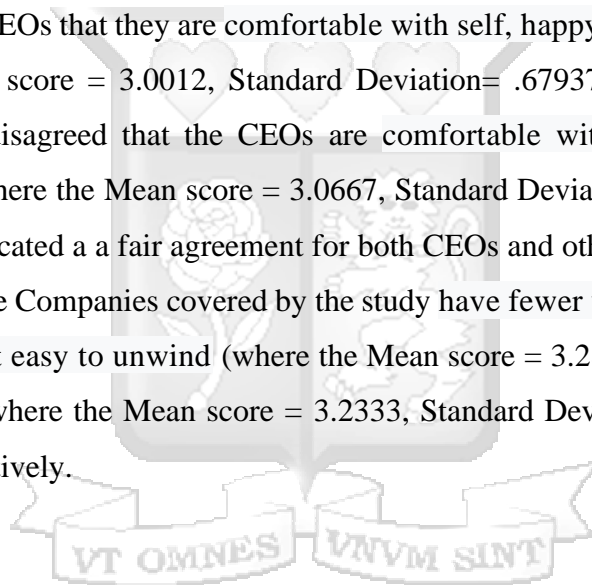
4.3.4 CEO`s Emotional Stability (Neurotic-ism)

Table 4.9 CEO`s Emotional Stability (Neurotic-ism)

CEO`s Emotional Stability (Neurotic-ism)	CEOs			Other Management Staff		
	N	Mean	STDV	N	Mean	STDV
Calm under pressure, copes with problems, quickly overcomes set-backs	34	2.8571	.66299	88	2.6000	.96847
Confidence in unfamiliar surroundings and with new people	34	3.0000	.55470	88	3.1333	.86037
Comfortable with self, happy with life, positive about future	34	3.0012	.67937	88	3.0667	.82768
Has fewer worries than most people, finds it easy to unwind	34	3.2857	.61125	88	3.2333	.77385

Source: Researcher (2022)

The results indicated that there was fair agreement among the CEOs in the insurance companies that the CEOs are always calm under pressure, copes with problems, quickly overcome set-backs (where the Mean score= 2.8571 and standard deviation of .66299) while the other management staff disagreed that the CEOs are always calm under pressure, copes with problems, quickly overcome set-backs (where the Mean score= 2.6000 and standard deviation of .96847) . The findings show that there is fair agreement among the CEOs in insurance companies covered by the study that they show confidence in unfamiliar surroundings and with new people (where the Mean score =3.0000, Standard Deviation= .55470) as compared to the management staff that disagreed that the CEOs show confidence in unfamiliar surroundings and with new people (where the Mean score =3.1333, Standard Deviation= .86037). The findings also indicate a fair agreements among the CEOs that they are comfortable with self, happy with life, positive about future (where the Mean score = 3.0012, Standard Deviation= .67937) compared to the other management staff that disagreed that the CEOs are comfortable with self, happy with life, positive about future (where the Mean score = 3.0667, Standard Deviation= .82768). Lastly, the findings of the study indicated a a fair agreement for both CEOs and other management staff that the CEOs in the Insurance Companies covered by the study have fewer worries than most people and can be said to find it easy to unwind (where the Mean score = 3.2857, Standard Deviation= .61125) for CEOs and (where the Mean score = 3.2333, Standard Deviation= .77385) for other management staff respectively.



4.3.5 Claims Ratio

Table 4.10 Claims Ratio

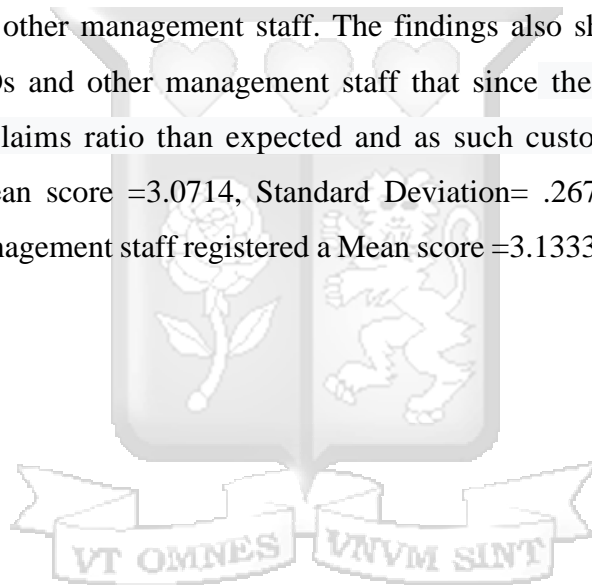
Claims Ratio	CEOs			Other Management Staff		
	N	Mean	STDV	N	Mean	STDV
The company faces a higher claims ratio than the expected standards causing low	34	2.8571	.36314	88	2.7333	.63968

performance attributable to the incoming of the current CEO

Since the inception of the CEO company faces a lower claims ratio than expected and as such customers face difficulties in claiming. 34 3.0714 .26726 88 3.1333 .50742

Source: Researcher (2022)

The results indicated that there was a fair agreement between CEOs and other management staff that insurance companies face a higher claims ratio than the expected standards causing low performance attributable to the incoming of the current CEO (where the Mean score= 2.8571 and standard deviation of .36314) for CEOs and (where the Mean score= 2.7333 and standard deviation of .63968) for other management staff. The findings also show that there was a fair agreement between CEOs and other management staff that since the inception of the CEOs, company face a lower claims ratio than expected and as such customers face difficulties in claiming (where the Mean score =3.0714, Standard Deviation= .26726) for CEOs while the response by the other management staff registered a Mean score =3.1333 and Standard Deviation= .50742.



4.3.6 Average Cost per Claim

Table 4.11 Average Cost per Claim

	CEOs			Other Management Staff		
	N	Mean	STDV	N	Mean	STDV
Average Cost Per Claim						
The CEO`s focus on costs minimization led company`s average cost per claim to drop in terms of money utilized to settle a claim	34	2.8571	.77033	88	3.3000	.95231
The turnaround time per claim settlement has dropped with the current CEO	34	2.7857	.80178	88	3.2333	.85836

Under the management of the current CEO, there is an efficient management of reserves enabling prompt answering of claims. 34 2.6429 .84190 88 3.0667 1.04826

Source: Researcher (2022)

The results indicated that there was a fair agreement between CEOs and other management staff that in most insurance companies, the CEO`s focus on costs minimization led company`s average cost per claim to drop in terms of money utilized to settle a claim (where the Mean score= 2.8571 and standard deviation of .77033) was registered for CEOs and (where the Mean score= 3.3000 and standard deviation of .95231) was registered for other management staff. The findings show that there was a fair agreement between CEOs and other management staff that the turnaround time per claim settlement has dropped with the current CEO (where the Mean score =2.7857, Standard Deviation= .80178) for CEOs while the response for other management staff registered a Mean score =3.2333 and Standard Deviation= .85836. Lastly, the findings of the study indicated disagreement among the CEOs that under the management of the current CEO, there is an efficient management of reserves enabling prompt answering of claims (where the Mean score = 2.6429, Standard Deviation= .84190) while the other management staff agreed that under the management of the current CEO, there is an efficient management of reserves enabling prompt answering of claims (where the Mean score = 3.0667, Standard Deviation= 1.04826).

4.3.7 Liquidity Level

Table 4.12 Liquidity Level

Liquidity Level	CEOs			Other Management Staff		
	N	Mean	STDV	N	Mean	STDV
The company has a quality liquidity management system in sourcing funds	34	2.9286	.73005	88	3.2667	.98027
Investments are mostly liquid in the company	34	3.2143	.69929	88	3.5000	1.04221
The company sells off their investment when it does not have enough money to settle claims	34	3.8571	1.23146	88	3.5667	1.27802
The company`s financial strength is adequate to meet the ongoing policy holders` obligations	34	3.0714	1.14114	88	3.0667	1.17248

There is a high portfolio`s level of cash and short term investment (i.e portfolio of readily saleable securities)	34	3.6429	1.08182	88	3.3667	1.37674
Liquidity has a great influence on the financial performance of our company.	34	3.5714	1.08941	88	3.2333	1.38174

Source: Researcher (2022)

The results indicated that there was a fair agreement between CEOs and other management staff that the insurance companies have quality liquidity management system in sourcing funds (where the Mean score=2.9286 and standard deviation of .73005) for the CEOs and (where the Mean score=3.2667 and standard deviation of .98027) for the other management staff. The findings show that there was a fair agreement that investments are mostly liquid in the company (where the Mean score=3.2143, Standard Deviation=.69929) while there was agreement that investments are mostly liquid in the company (where the Mean score=3.5000, Standard Deviation= 1.04221). Results also indicate that there was a agreement between CEOs and other management staff that the company sells off their investment when it does not have enough money to settle claims (where the Mean score=3.8571, Standard Deviation= 1.23146) for the CEOs and (where the Mean score=3.5667, Standard Deviation= 1.27802). There was a fair agreement between CEOs and other management staff that the company`s financial strength is adequate to meet the ongoing policy holders` obligations(where the Mean score=3.0714, Standard Deviation= 1.14114) for CEOs and (where the Mean score=3.0667, Standard Deviation= 1.17248). he findings indicated that there was a fair agreement between CEOs and other management staff that there is a high portfolio`s level of cash and short term investment (i.e portfolio of readily saleable securities (where the Mean score=3.6429, Standard Deviation= 1.8182) for CEOs and where the Mean score=3.3667, Standard Deviation= 1.37674) for the other management staff.

Lastly, the findings of the study indicated an agreement by CEOs that the liquidity has a great influence on the financial performance of our company (where the Mean score = 3.5714, Standard Deviation= 1.08941) while the other management staff fairly agreed that the liquidity has a great influence on the financial performance of the company(where the Mean score = 3.2333, Standard Deviation= 1.38174).

4.3.8 Profitability

Table 4.13 Profitability

Profitability	CEOs			Other Management Staff		
	N	Mean	STDV	N	Mean	STDV
The CEO`s leadership leads contributes to increasing premiums and lower number of claims thereby making incremental profits.	34	3.2857	1.13873	88	3.4667	1.22428
The level of profitability growth is declined with the current CEO	34	3.5000	1.40055	88	3.3667	1.21721
The level of profitability is declined due to high number claims to be settled.	34	1.7857	.89258	88	2.6296	1.33440
High ratio of debt to equity results in high costs of capital reducing profitability.	34	3.0714	1.07161	88	3.0000	1.05045

Source: Researcher (2022)

The results indicated that there is a fair agreement among the other management staff that in most insurance companies, the CEO`s leadership contributes to increasing premiums and lower number of claims thereby making incremental profits (where the Mean score = 3.2857 and standard deviation of 1.13873) for the CEOs and (where the Mean score = 3.4667 and standard deviation of 1.22428) for the management staff in the insurance companies in Kenya . The findings show that there was an agreement among the CEOs that the level of profitability growth is declined with the current CEO (where the Mean score =3.5000, Standard Deviation= 1.40055) while there was a fair agreement among the management staff that the level of profitability growth is declined with the current CEO (where the Mean score =3.3667, Standard Deviation= 1.21721). The findings of the study also indicated a strong disagreement among the CEOs that the level of profitability is declined due to high number of claims to be settled (where the Mean score = 1.7857, Standard Deviation= .89258) while there was a fair agreement by the other staff that the level of profitability is declined due to high number of claims to be settled (where the Mean score = 2.6296, Standard Deviation= 1.33440). Lastly, the findings of the study indicated a fair agreement among CEOs and the other management staff that high ratio of debt to equity results in high costs of capital reducing profitability (where the Mean score = 3.0714, Standard

Deviation= 1.07161) for CEOs and (where the Mean score = 3.0000, Standard Deviation= 1.05045) for other management staff in the insurance companies covered by the study.

4.3.9 Underwriting Risk

Table 4.14 Underwriting Risk

Underwriting Risk	CEOs			Other Staff	Management	
	N	Mean	STDV		Mean	STDV
The major source of income is income from the sale of insurance policies	34	3.4286	1.15787	88	3.4000	1.22051
Income from underwriting risk is on the rise since inception of current CEO	34	3.7857	1.36880	88	3.6000	1.27577
Investment income being another source of income ensures majority of assets are invested in low-risk bonds, equities and money markets	34	3.4286	1.22250	88	3.4667	1.22428

Source: Researcher (2022)

The results indicated there was a fair agreement that insurance companies` major source of income is from the sale of insurance policies (where the Mean score= 3.4286 and standard deviation of 1.15787) for CEOs and (where the Mean score= 3.4000 and standard deviation of 1.22051) for the other management staff. The findings show that there is agreement that the income from underwriting risk is on the rise since inception of current CEO (where the Mean score =3.7857, Standard Deviation= 1.36880) for CEOs and (mean score = 3.600, standard Deviation = 1.27577) for the other management staff.. Lastly, the findings of the study also indicated a fair agreement among the other management staff that the investment income being another source of income ensures majority of assets are invested in low-risk bonds, equities and money markets (where the Mean score = 3.4286, Standard Deviation= 1.22250) for CEOs and(where the Mean score = 3.4667, Standard Deviation= 1.22428) for the other management staff in the insurance companies covered by the study. .

4.3.10 Annual Total Assets

Table 4.15 Annual Total Assets

Annual Total Assets	CEOs			Other Staff	Management	
	N	Mean	STDV		N	Mean

Firm with high asset base face less difficulty in getting access to credit from financial institutions thereby achieving great variety of financing alternatives.	34	2.9286	1.26881	88	2.9333	1.20153
A low annual total asset base is an important determinant of insurance firm`s returns.	34	4.31	.950	88	3.26	1.280
A high asset base makes the firm a more visible, well recognized brand hence commands extended market share and increased revenue.	34	4.27	.705	88	3.58	1.313
A firm with a high asset base is able to exploit economies of scale enabling them command higher performance.	34	2.7857	1.05090	88	2.8000	1.18613
Firm with high asset base are more mature, stable and generate high sales due to high production capacity.	34	3.5000	1.28602	88	3.2333	1.19434

Source: Researcher (2022)

The results indicated there was a fair agreement among the CEOs and the other management staff that insurance firms with high asset base face less difficulty in getting access to credit from financial institutions thereby achieving great variety of financing alternatives (where the Mean score= 2.9286 and standard deviation of 1.26881) for CEOs and a (where the Mean score= 2.9333 and standard deviation of 1.20153) for the other management staff . The findings show that there is strong agreement among the CEOs that a low annual total asset base is an important determinant of insurance firm`s returns (where the Mean score =4.31, Standard Deviation= .950) while there was fair agreement among the other management staff that a low annual total asset base is an important determinant of insurance firm`s returns (where the Mean score =3.26, Standard Deviation= 1.280) for the other management staff. The findings of the study also indicated there is strong agreement among the CEOs that that a high asset base makes the firm a more visible, well recognized brand hence commands extended market share and increased revenue (where the Mean score = 4.27, Standard Deviation= .705) while there was a fair agreement among the other management staff that a high asset base makes the firm a more visible, well recognized brand hence commands extended market share and increased revenue(where the Mean score = 3.58, Standard Deviation= 1.313). Additionally, the results indicated a fair agreement among the CEOs and the other management staff that a firm with a high asset base is

able to exploit economies of scale enabling them command higher performance (where the Mean score =2.7857, Standard Deviation= 1.05090) for CEOs and (Mean score =2.7857, Standard Deviation= 1.05090) for the other management staff. Lastly, the findings of the study indicated an agreement among the CEOs that firm with high asset base are more mature, stable and generate high sales due to high production capacity (where the Mean score = 3.5000,Standard Deviation= 1.28602) while the results indicated a fair agreement by other management staff that firm with high asset base are more mature, stable and generate high sales due to high production capacity (where the Mean score = 3.2333, Standard Deviation= 1.19434).

4.3.11 Employee Size

Table 4.16 Employee Size

Employee Size	CEOs			Other Management Staff		
	N	Mean	STDV	N	Mean	STDV
A high number of employees enable higher productivity thereby promoting total revenue while a lower number is a drawback to productivity.	34	2.9286	1.26881	88	2.9333	1.17248
The employees meet their personal/organizational goals	34	2.7857	1.36880	88	2.9667	1.21721
There is high level of Service delivery in our firm due to high number of employees and provision of performance contracting.	34	3.3571	1.44686	88	3.2667	1.36289
Performance contracting highly influences the Employee Satisfaction in our Company.	34	3.0714	1.43925	88	2.9000	1.15520
The employees are regularly promoted due to their high level performance.	34	2.2857	1.13873	88	2.6333	1.12903
The large number of employees are always motivated to deliver their service effectively	34	3.5000	1.01905	88	3.5000	.90019
Employees are fully commitment to their jobs due to the performance contracting.	34	3.1429	.77033	88	3.3333	.95893

Source: Researcher (2022)

The results indicated that there was a fair agreement among the CEOs and the other management staff that in the insurance companies with a high number of employees enable higher productivity thereby promoting total revenue while a lower number is a drawback to productivity (where the Mean score =2.9286 and standard deviation of 1.26881) for CEOs and (Mean score =2.9333 and standard deviation of 1.17248) for the other management staff. The findings show that somehow there was a fair agreement among the CEOs and the other management staff that the employees meet their personal/ organizational goals (where the Mean score =2.7857, Standard Deviation= 1.36880) for CEOs and(Mean score =2.9667, Standard Deviation= 1.21721) for the other management staff . The findings of the study also indicated a fair agreement among the CEOs and the other management staff that there is high level of Service delivery in the firm due to high number of employees and provision of performance contracting (where the Mean score = 3.3571, Standard Deviation= 1.44686) for CEOs and (Mean score = 3.2667, Standard Deviation= 1.36289) for the other management staff covered by the study. The findings of the study also indicated a fair agreement among the CEOs and the other management staff that the performance contracting highly influences the employee satisfaction in the insurance companies covered by the study (where the Mean score = 3.0714, Standard Deviation= 1.43925) for the CEOs and (Mean score =2.9000, Standard Deviation= 1.15520) for the other management staff. Results also indicate that the CEOs disagreed that the employees in the insurance companies are regularly promoted due to their high level performance (where the Mean score = 2.2857, Standard Deviation= 1.13873) while the other management staff fairly agreed that the employees in the insurance companies are regularly promoted due to their high level performance (where the Mean score = 2.6333, Standard Deviation= 1.12903).

The study showed agreement among the CEOs and the other management staff that that the large number of employees are always motivated to deliver their service effectively (where the Mean score = 3.5000, Standard Deviation= 1.01905) for CEOs and Mean score = 3.5000, Standard Deviation= .90019) for the other management staff . Lastly, the findings of the study indicated a fair agreement among the CEOs and the other management staff that employee are fully commitment to their jobs due to the performance contracting (where the Mean score = 3.1429,

Standard Deviation= .77033) for CEOs and (Mean score = 3.3333, Standard Deviation= .95893) for the other management staff .

4.3.12 Annual Revenue

Table 4.17 Annual Revenue

Annual Revenue	CEOs			Other Management Staff		
	N	Mean	STDV	N	Mean	STDV
The firm`s annual premiums grow at an increasing rate	34	3.5714	1.15787	88	3.5667	.89763
Investment income is secured by investing in readily saleable securities	34	2.9286	1.26881	88	3.0000	1.0171
The investment income grows at an increasing rate	34	3.2143	.80178	88	3.1667	.83391

Source: Researcher (2022)

In regard to the response on the annual revenue in the insurance companies covered by the study, the results indicated agreement among the CEOs and the other management staff covered by the study that that the firm`s annual premiums grow at an increasing rate (where the Mean score = 3.5714, Standard Deviation= 1.15787) for CEOs and (Mean score = 3.5667, Standard Deviation= .89763) for other management staff . The results also indicated that a fair agreement among the CEOs and the other management staff that in most insurance companies investment income is secured by investing in readily saleable securities (where the Mean score = 2.9286, Standard Deviation= 1.26881) for CEOs and (Mean score = 3.0000, Standard Deviation= 1.01710) for other management staff. Lastly, the findings of the study indicated a fair agreement among the CEOs and the other management staff that the investment income grows at an increasing rate (where the Mean score = 3.2143, Standard Deviation= .80178) for CEOs and (Mean score = 3.1667, Standard Deviation= .83391) for other management staff.

4.4 Factor Analysis and Presentation

Factor analysis was employed to establish the personality factors that accounted for a high percentage of variability in the dataset. Moreover, the factor analysis results also sought to establish if all the questionnaire statements linked to each of the aforementioned variables could

be retained for further analysis. The findings of the factor analysis results in line with the five personality factors: openness to experience, conscientiousness, extroversion, agreeableness and emotional stability were displayed and interpreted in the subsections below.

4.4.1 Derivation of CEO's Openness Factor

The study conducted a sample adequacy tests to establish if the personality factor dataset was suitable for factor analysis. The tests comprised of the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and the Bartlett's Test of Sphericity. Kaiser (1974) as cited by Omondi (2018) recommended that a KMO value of 0.5 and above indicates that the sample adequacy of the data is sufficient and satisfactory moreover the Bartlett's test of Sphericity should be greater than 150. These are the rules of thumb this study employed in establishing if the dataset in the personality traits was suitable for factor analysis. The results of the sample adequacy tests were displayed in Table 4.18.

The study carried out a Kaiser-Meyer-Olkin Measure of Sampling Adequacy where less than 0.5 would be considered poor 0.5-0.6 is considered average, 0.6-0.7 was considered acceptable, and 0.7-0.8 was considered good while above 0.8 was considered excellent. This was meant to test whether partial correlation between the variables was small.

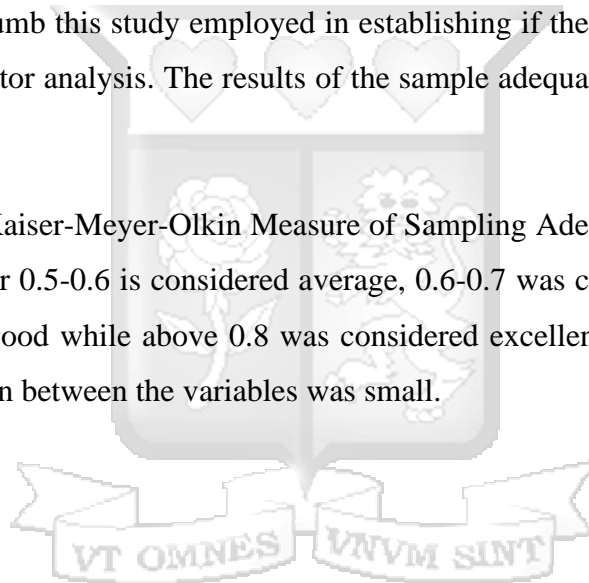


Table 4.18: KMO and Bartlett's Test Results for the CEO's Openness Dataset

KMO and Bartlett's Test		CEO Openness
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.600
Bartlett's Test of Sphericity	Approx. Chi-Square	12.895
	df	4
	Sig.	.000

The findings of the study indicated that that the sample used was adequate to measure the relationship between CEO openness and the performance of Insurance Firms in Kenya. Additionally, the Bartlett's Test indicated that the study sample for CEO openness was significant in measuring the relationship between CEO openness and the performance of Insurance Firms in

Kenya (since its p-value was less than 0.05). The results of the Bartlett's Test of Sphericity provided further justification that the dataset was satisfactory for factor analysis.

Table 4.19: Total Variance Explained by CEO's Openness Factors

Component	Total Variance Explained					
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.000	60.010	60.010	3.000	60.010	60.010
2	.819	16.388	76.397			
3	.583	11.654	88.052			
4	.376	7.521	95.572			
5	.221	4.428	100.000			

Extraction Method: Principal Component Analysis.

In Table 4.19, only one factor posted eigenvalues of more than one. The one factor recorded an eigenvalue of 3.000. The one component accounted for a total variance of 60.010% in the entire dataset. This one factor was retained for further analysis while the rest were discarded.

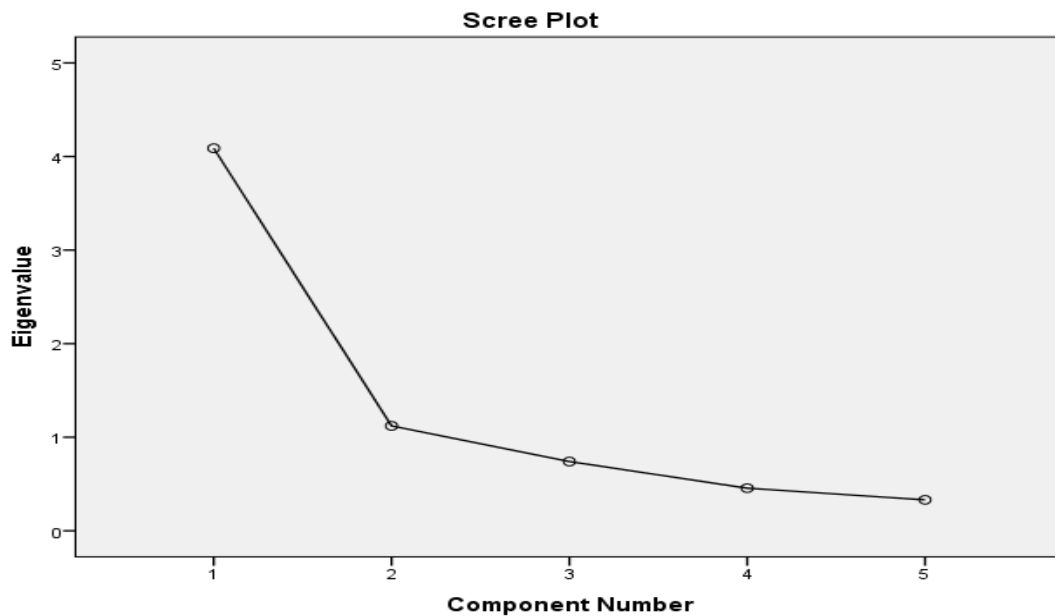


Figure 4.1: Scree plot showing the Relationship between Eigenvalues and CEO Openness Factors

The Scree plot displayed the relationship between the eigenvalues and CEO Openness factor (represented by component numbers). The factors that were retained in the Scree plot represented

those after the point where the Scree plot started to take an elbow shape. In Figure 4.1, the Scree plot started to assume an elbow contour from component 5 to 2. Thus, the one component was preserved for further analysis.

Table 4.20: Rotated Component Matrix for CEO`s Openness Factors

Component Matrix^a		
CEO`s Openness	Component	Component
	1	2
Has strong imagination, sets aside time for thinking and innovating new ways of doing things	.795	.713
Generates original solutions to problems, has lots of ideas for change	.789	.722
Prepared to bend the rules and take risks to achieve change and adaptation	.734	.814
Tries new ways of working, adapts quickly to change, prefers variety to routine	.761	.780
Bureaucratically adheres to rules thus hesitant to deviate from the norm	.799	.720
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		

The study indicated that all the factors analyzed presents results figures that shows a partial correlation values that are close to 1 which shows that the patterns are really compact and therefore the factors contained in the questionnaire would yield appropriate measurement on the relationship between CEO personality traits and the financial performance of insurance companies in Kenya. The study set .40 as the cut off after factor loading and extraction. The results indicated that the lowest construct of the factor analysis was 0.713 after rotation which indicated high correlation results (close to 1 and more than .40) indicating that the questionnaire would yield appropriate measurement even after both rotational and extraction methods were applied (Field, 2005).

4.4.2 Derivation of CEO`s Conscientiousness Factor

Table 4.21: KMO and Barlett`s Test Results for the CEO's Conscientiousness Dataset

KMO and Bartlett's Test		CEO Conscientiousnes
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.600
Bartlett's Test of Sphericity	Approx. Chi-Square	6.688
	df	3
	Sig.	0.01

The findings of the study indicated that the sample used was adequate to measure the relationship between CEO Conscientiousness and the performance of Insurance Firms in Kenya. Additionally, the Bartlett's Test indicated that the study sample for CEO **Conscientiousness** was significant in measuring the relationship between **CEO Conscientiousness** and the performance of Insurance Firms in Kenya (since its p-value was less than 0.05). The results of the Bartlett's Test of Sphericity provided further justification that the dataset was satisfactory for factor analysis.

Table 4.22: Total Variance Explained by CEO Conscientiousness Factors

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.708	75.539	75.539	2.958	73.949	73.949
2	.612	12.460	87.999			
3	.330	6.714	94.713			
4	.260	5.287	100.000			

Extraction Method: Principal Component Analysis.

In Table 4.22, only one factor posted eigenvalues of more than one. The one factor recorded an eigenvalue of 2.958. The one component accounted for a total variance of 73.949% in the entire dataset. This one factor was retained for further analysis while the rest were discarded

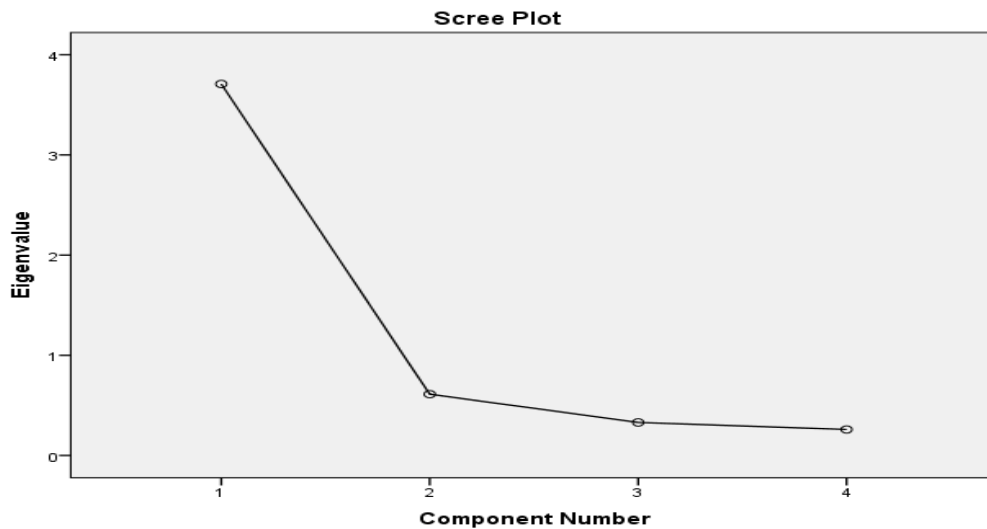


Figure 4.2: Scree plot showing the Relationship between Eigenvalues and Conscientiousness Factors

The Scree plot displayed the relationship between the eigenvalues and **CEO Conscientiousness** factors (represented by component numbers). The factors that were retained in the Scree plot represented those after the point where the Scree plot started to take an elbow shape. In Figure 4.2, the Scree plot started to assume an elbow contour from component 4 to 2. Thus, the one component was preserved for further analysis.

Table 4.23: Rotated Component Matrix for CE`s Conscientiousness Factors

Component Matrix^a		
CEO`s Conscientiousness	Component	Component
	1	2
Gets down to work quickly, initiates activities and prepares in advance	.730	.922
Works hard, sets high standards, does more than is expected of him or her	.796	.721
Likes to be organized, keeps things tidy, does things according to a plan	.706	.801
Completes tasks, excels at work, gets things done efficiently	.873	.781
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		

The study indicated that all the factors analyzed presents results figures that shows a partial correlation values that are close to 1 which shows that the patterns are really compact and therefore the factors contained in the questionnaire would yield appropriate measurement on the relationship between CEO personality traits and the financial performance of insurance companies in Kenya. The study set .40 as the cut off after factor loading and extraction. The results indicated that the lowest construct of the factor analysis was 0.721 after rotation which indicated high correlation results (close to 1 and more than .40) indicating that the questionnaire would yield appropriate measurement even after both rotational and extraction methods were applied (Field, 2005).

4.4.3 Derivation of CEO`s Extroversion Factor

Table 4.24: KMO and Barlet`s Test Results for the CEO`s Extroversion Dataset

KMO and Bartlett's Test		CEO Extraversion
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.600
Bartlett's Test of Sphericity	Approx. Chi-Square	7.976
	df	2
	Sig.	.005

The findings of the study indicated that that the sample used was adequate to measure the relationship between CEO Extroversion and the performance of Insurance Firms in Kenya. Additionally, the Bartlett's Test indicated that the study sample for CEO Extroversion was significant in measuring the relationship between CEO Extroversion and the performance of Insurance Firms in Kenya (since its p-value was less than 0.05).. The results of the Bartletts Test of Sphericity provided further justification that the dataset was satisfactory for factor analysis.

Table 4.25: Total Variance Explained by CE`s Extroversion Factors

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.006	66.852	66.852	2.006	66.852	66.852
2	.538	17.950	84.802			
3	.456	15.198	100.000			

Extraction Method: Principal Component Analysis.

In Table 4.25, only one factors posted eigenvalues of more than one. The one factors recorded an eigenvalue of 2.006. The one component accounted for a total variance of 66.852% in the entire dataset. This one factor was retained for further analysis while the rest were discarded.

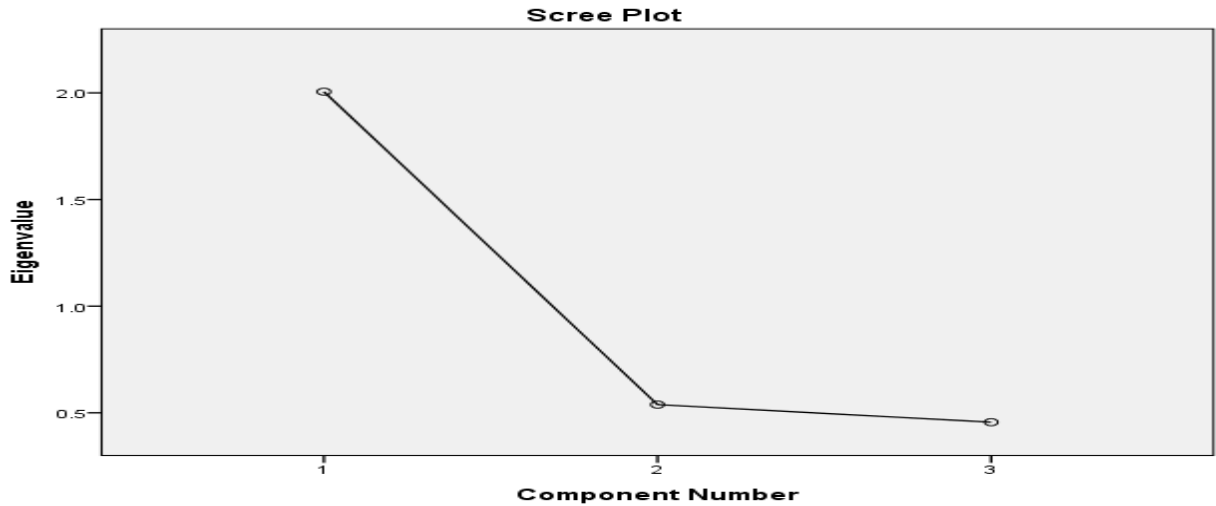


Figure 4.3: Scree plot showing the Relationship between Eigenvalues and CEO Extroversion Factors

The Scree plot displayed the relationship between the eigenvalues and **CEO Extroversion** factors (represented by component numbers). The factors that were retained in the Scree plot represented those after the point where the Scree plot started to take an elbow shape. In Figure 4.3, the Scree plot started to assume an elbow contour from component 3 to 2. Thus, the one component was preserved for further analysis.

Table 4.26: Rotated Component Matrix for CEO`s Extroversion Factors

Component Matrix ^a		
	Component 1	Component 2
CEO`s Extroversion		
Keeps busy, reacts quickly, always on the go, fills spare time with activity	.896	.751
Likes to be surrounded by people, talks a lot, enjoys social occasions and social networks	.823	.835
Gets to know people quickly, cheers people up, enjoys contact	.834	.761
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		

The study indicated that all the factors analysed presents results figures that shows a partial correlation values that are close to 1 which shows that the patterns are really compact and therefore the factors contained in the questionnaire would yield appropriate measurement on the relationship between CEO's Extroversion and the financial performance of insurance companies in Kenya. The study set .40 as the cut off after factor loading and extraction. The results indicated that the lowest construct of the factor analysis was 0.751 after rotation which indicated high correlation results (close to 1 and more than .40) indicating that the questionnaire would yield appropriate measurement even after both rotational and extraction methods were applied (Field, 2005).

4.4.4 Derivation of CEO's Agreeableness Factor

Table 4.27: KMO and Bartlett's Test Results for the CEO's Agreeableness Dataset

KMO and Bartlett's Test		CEO Agreeable
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.600
Bartlett's Test of Sphericity	Approx. Chi-Square	6.909
	df	3
	Sig.	.040

The findings of the study indicated that that the sample used was adequate to measure the relationship between CEO Agreeableness and the performance of Insurance Firms in Kenya. Additionally, the Bartlett's Test indicated that the study sample for CEO Agreeableness was significant in measuring the relationship between CEO Agreeableness and the performance of Insurance Firms in Kenya(since its p-value was less than 0.05). The results of the Bartletts Test of Sphericity provided further justification that the dataset was satisfactory for factor analysis.

Table 4.28: Total Variance Explained by CEO's Agreeableness Factors

Component	Total Variance Explained					
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.829	70.737	70.737	2.829	70.737	70.737
2	.614	15.350	86.087			
3	.324	8.096	94.183			
4	.233	5.817	100.000			

Extraction Method: Principal Component Analysis.

In Table 4.28, only one factors posted eigenvalues of more than one. The one factors recorded an eigenvalue of 2.829. The one component accounted for a total variance of 70.737% in the entire dataset. This one factor was retained for further analysis while the rest were discarded.



Figure 4.4: Scree plot showing the Relationship between Eigenvalues and CEO Agreeableness Factors

The Scree plot displayed the relationship between the eigenvalues and CEO Agreeableness factors (represented by component numbers). The factors that were retained in the Scree plot represented those after the point where the Scree plot started to take an elbow shape. In Figure 4.4, the Scree plot started to assume an elbow contour from component 4 to 2. Thus, the one component was preserved for further analysis.

Table 4.29: Rotated Component Matrix for CEO`s Agreeableness Factors

Component Matrix ^a		
	Component	
	1	2
Keeps quiet about achievements, avoids talking about self	.750	.705
Shows concern, listens well, makes people feel welcome	.892	.898
Behaves straight forwardly, does not manipulate or use people	.863	.867

Believes that people have good intentions, trusts people	.851	.859
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		

The study indicated that all the factors analysed presents results figures that shows a partial correlation values that are close to 1 which shows that the patterns are really compact and therefore the factors contained in the questionnaire would yield appropriate measurement on the relationship between CEO's Agreeableness and the financial performance of insurance companies in Kenya. The study set .40 as the cut off after factor loading and extraction. The results indicated that the lowest construct of the factor analysis was 0.705 after rotation which indicated high correlation results (close to 1 and more than .40) indicating that the questionnaire would yield appropriate measurement even after both rotational and extraction methods were applied (Field, 2005).

4.4.5 Derivation of Emotional Stability (Neuroticism) Factor

Table 4.30: Total Variance Explained by Emotional Stability (Neuroticism) Factors

KMO and Bartlett's Test		CEO EMOTIONALSTABILITY
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.600
Bartlett's Test of Sphericity	Approx. Chi-Square	6.743
	df	3
	Sig.	.039

The findings of the study indicated that that the sample used was adequate to measure the relationship between CEO Emotional Stability and the performance of Insurance Firms in Kenya. Additionally, the Bartlett's Test indicated that the study sample for CEO Emotional Stability was significant in measuring the relationship between CEO Emotional Stability and the performance of Insurance Firms in Kenya (since its p-value was less than 0.05).. The results of the Bartletts Test of Sphericity provided further justification that the dataset was satisfactory for factor analysis.

Table 4.31: Total Variance Explained by Emotional Stability Factors

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.430	60.748	60.748	2.430	60.748	60.748
2	.975	24.366	85.114			
3	.339	8.477	93.591			
4	.256	6.409	100.000			

Extraction Method: Principal Component Analysis.

In Table 4.31, only one factors posted eigenvalues of more than one. The one factors recorded an eigenvalue of 2.430. The one component accounted for a total variance of 60.748% in the entire dataset. This one factor was retained for further analysis while the rest were discarded.



Figure 4.5: Scree plot showing the Relationship between Eigenvalues and CEO Emotional stability Factors

The Scree plot displayed the relationship between the eigenvalues and **CEO** Emotional Stability factors (represented by component numbers). The factors that were retained in the Scree plot represented those after the point where the Scree plot started to take an elbow shape. In Figure 4.5, the Scree plot started to assume an elbow contour from component 4 to 2. Thus, the one component was preserved for further analysis.

Table 4.31: Rotated Component Matrix for Emotional Stability Factors

Component Matrix ^a		
Emotional Stability (Neuroticism)Factor	Component	Component

	1	1
Calm under pressure, copes with problems, quickly overcomes setbacks	.574	.861
Confidence in unfamiliar surroundings and with new people	.801	.849
Comfortable with self, happy with life, positive about future	.889	.858
Has fewer worries than most people, finds it easy to unwind	.818	.859
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		

The study indicated that all the factors analysed presents results figures that shows a partial correlation values that are close to 1 which shows that the patterns are really compact and therefore the factors contained in the questionnaire would yield appropriate measurement on the relationship between CEO's Emotional Stability and the financial performance of insurance companies in Kenya. The study set .40 as the cut off after factor loading and extraction. The results indicated that the lowest construct of the factor analysis was 0.849 after rotation which indicated high correlation results (close to 1 and more than .40) indicating that the questionnaire would yield appropriate measurement even after both rotational and extraction methods were applied (Field, 2005).

4.4.6 Derivation of Performance of Insurance Companies' Factor

Table 4.32: Total Variance Explained by Performance of Insurance Companies' Factors

KMO and Bartlett's Test		Performance of insurance companies
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.600
Bartlett's Test of Sphericity	Approx. Chi-Square	8.691
	df	4
	Sig.	.045

The findings of the study indicated that that the sample used was adequate to measure the relationship between Performance of Insurance Companies' Factor and the performance of Insurance Firms in Kenya. Additionally, the Bartlett's Test indicated that the study sample for Performance of Insurance Companies' Factor was significant in measuring the relationship between CEO's Personality Traits and the performance of Insurance Firms in Kenya(since its p-

value was less than 0.05).. The results of the Bartlett's Test of Sphericity provided further justification that the dataset was satisfactory for factor analysis.

Table 4.33: Total Variance Explained by Performance of Insurance Companies' Factors

Component	Total Variance Explained					
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.407	48.135	48.135	2.407	48.135	48.135
2	1.503	30.054	78.189			
3	.552	11.040	89.228			
4	.369	7.378	96.607			
5	.170	3.393	100.000			

Extraction Method: Principal Component Analysis.

In Table 4.33, only one factor posted eigenvalues of more than one. The one factor recorded an eigenvalue of 2.407. The one component accounted for a total variance of 48.135% in the entire dataset. This one factor was retained for further analysis while the rest were discarded.

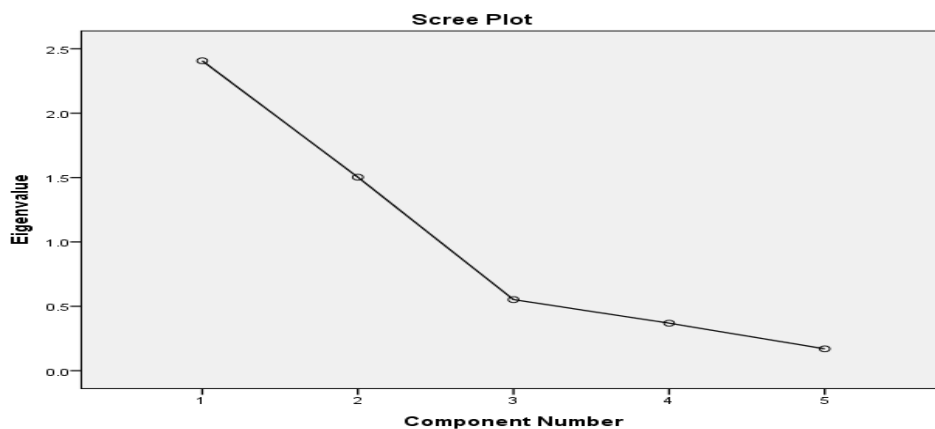


Figure 4.6: Scree plot showing the Relationship between Eigenvalues and performance of insurance companies Factors

The Scree plot displayed the relationship between the eigenvalues and CEO Performance of Insurance Companies’ factors (represented by component numbers). The factors that were retained in the Scree plot represented those after the point where the Scree plot started to take an elbow shape. In Figure 4.6, the Scree plot started to assume an elbow contour from component 4 to 2. Thus, the one component was preserved for further analysis.

Table 4.34: Rotated Component Matrix for Performance of Insurance Companies’ Factors

Component Matrix ^a		
	Component	Component
	1	2
Claims Ratio	.524	.861
Average Cost per Claim	.554	.861
Liquidity Level	.619	.849
Profitability	.823	.858
Underwriting Risk	.854	.859

The study indicated that all the factors analysed presents results figures that shows a partial correlation values that are close to 1 which shows that the patterns are really compact and therefore the factors contained in the questionnaire would yield appropriate measurement of the financial performance of insurance companies in Kenya. The study set .40 as the cut off after factor loading and extraction. The results indicated that the lowest construct of the factor analysis was 0.849 after rotation which indicated high correlation results (close to 1 and more than .40) indicating that the questionnaire would yield appropriate measurement even after both rotational and extraction methods were applied (Field, 2005).

4.6 Correlation Matrix Findings

An assumption required when employing the binary logistic regression model is that there should be no multicollinearity in the data and according to the correlation matrix in Table 4.35

multicollinearity problem did not exist in the data as none of the Pearson correlation coefficients was above 0.8 (Hair et al. 2014).

Table 4. 35: Correlation Matrix

		Staff Description	Performance	CEO Openness	CEO Conscientiousness	CEO Extroversion	CEO Agreeable	CEO Emotional stability
Performance	Pearson Correlation	CEOs	1					
		Other Mgt Staff	1					
	Sig. (2-tailed)	CEOs						
		Other Mgt Staff						
	N	CEOs	34					
	Other Mgt Staff	88						
CEO Openness	Pearson Correlation	CEOs	.016	1				
		Other Mgt Staff	.325	1				
	Sig. (2-tailed)	CEOs	.041					
		Other Mgt Staff	.048	.000				
	N	CEOs	34	34				
	Other Mgt Staff	88	88					
CEO Conscientiousness	Pearson Correlation	CEOs	.232	.779**	1			
		Other Mgt Staff	.240	.636**	1			
	Sig. (2-tailed)	CEOs	.424	.001				
		Other Mgt Staff	.001	.000				
	N	CEOs	34	34	34			
	Other Mgt Staff	88	88	88				
CEO Extroversion	Pearson Correlation	CEOs	.274	.707**	.699**	1		
		Other Mgt Staff	.231	.718**	.702**	1		
	Sig. (2-tailed)	CEOs	.343	.005	.005			
		Other Mgt Staff	.020	.000	.000			
	N	CEOs	34	34	34	34		
	Other Mgt Staff	88	88	88	88			
CEO Agreeable	Pearson Correlation	CEOs	.236	.774**	.736**	.728**	1	
		Other Mgt Staff	.360	.555**	.533**	.755**	1	
	Sig. (2-tailed)	CEOs	.642	.001	.003	.003		
		Other Mgt Staff	.044	.001	.002	.000		
	N	CEOs	34	34	34	34	34	
	Other Mgt Staff	88	88	88	88	88		
CEO Emotional stability	Pearson Correlation	CEOs	.799	.657*	.587*	.690**	.613**	1
		Other Mgt Staff	.752	.187	.457*	.581**	.676**	1
		CEOs	.036	.011	.027	.000	.000	

	Sig. (2-tailed)	Other Mgt Staff	.033	.022	.011	.001	.000	
N		CEOs	34	34	34	34	34	34
		Other Mgt Staff	88	88	88	88	88	88

The results of the correlation analysis for both CEOs and **Other** Insurance Management Staff covered by the study indicated that the CEOs felt that there was a low and a positive ($r=.016$; $.000<.05$) significant relationship between CEO Openness and Financial Performance of Insurance Companies in Kenya. The study also established that the other management staff felt that there was a low and a positive ($r=.325$; $\text{Sig}.000<.05$) significant relationship between CEO Openness and Financial Performance of Insurance Companies in Kenya. The correlation analysis results indicated that the CEO's felt that there was a low and a positive ($r=.232$; $.000>.05$) non-significant relationship between CEO's Conscientiousness and Financial Performance of Insurance Companies in Kenya although the other management staff felt that there was a low and a positive ($r=.240$; $\text{Sig}.000<.05$) significant relationship between CEO's Conscientiousness and Financial Performance of Insurance Companies in Kenya..

The findings of the correlation analysis also indicated that the CEOs felt that there was a low and a positive ($r=.274$; $.000>.05$) non-significant relationship between CEO's Extroversion and Financial Performance of Insurance Companies in Kenya although other management staff felt that there was a low and a positive ($r=.231$; $\text{Sig}.000<.05$) significant relationship between CEO's Extroversion and Financial Performance of Insurance Companies in Kenya. The correlation analysis results indicated that the CEO's felt that there was a low and a positive ($r=.236$; $.000>.05$) non-significant relationship between CEO's Agreeableness and Financial Performance of Insurance Companies in Kenya although the other management staff felt that there was a low and a positive ($r=.360$; $\text{Sig}.000<.05$) significant relationship between CEO's Agreeableness and Financial Performance of Insurance Companies in Kenya. Finally, the results indicated that both the CEO's and the other management staff felt that there was a high and a positive ($r=.799$; $.000<.05$) and ($r=.752$; $.000<.05$) significant relationship between CEO's Emotional Stability and Financial Performance of Insurance Companies in Kenya.

4.7 Binary Logical Regression Analysis

The analysis was based on the Binary Logistic Model $\text{Log} (P / 1-P) = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + B_6D_s + B_7D_s + B_8D_s$. The dependent variable, performance of insurance companies was considered as a binary and based on the 5 likert scale responses where a likert scale of 3 and above was considered as good performance while a likert scale below 3 was considered as bad performance. The good financial performance = P while the bad financial performance = 1-P where P = probability of good financial performance. Additionally, the independent variable with P value less than or equal to 0.05, was considered to have a significant relationship with the dependent variable.

4.7.1 Model Fitness Test Findings

The R square findings as per Table 4.36 indicated that the regression model Nagelkerke R Square goodness test result of 41.9% was acceptable (Hair et al. 2014).

Table 4.36: Findings on Likelihood, R Square, Hosmer and Lemeshow Tests

Model Summary				
Respondents Category	Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
CEOs	1	22.466 ^b	.094	.133
Other Management Staff	1	54.882 ^d	.232	.330

The findings of the study indicated that 13.3% of the changes in performance of Insurance companies in Kenya will be as a result of personality traits for CEOs while 86.7% would be as a result of other factors not covered by the study. Additionally, 33.0% of the changes in performance of Insurance companies in Kenya will be as a result of personality traits for other management staff while 67.0% would be as a result of other factors not covered by the study.

4.7.2 Findings on Classification Matrix

Classification accuracy was employed to assess the ability of the binary logistic regression model to correctly classify readable and not readable financial statements or reports of Kenyan listed firms using the following formula (Hamid and Rohani (2018):

Classification accuracy = correctly placed responses / total number of responses * 100.

As per Table 4.37 below out of the 18 Good Performance scores, the regression model was able to correctly classify 16 scores and wrongly classified 2 scores and hence had 88.9% correct classification rate for the CEOs responses. Additionally, out of the 16 Bad Performance scores, the model was able to correctly classify 12 scores and wrongly classify 4 scores and thus 75.0% correct classification rate. The overall correct classification rate of the model of 81.95% corrected Items indicates that the data was therefore appropriate in measuring the relationship between the CEOs Personality traits and the performance of Insurance companies in Kenya.

Additionally, the findings indicated that out of the 62 Good Performance scores, the regression model was able to correctly classify 59 scores and wrongly classified 3 scores and hence had 95.2% correct classification rate for the other management staff responses. Additionally, out of the 26 Bad Performance scores, the model was able to correctly classify 16 scores and wrongly classify 10 scores and thus 51.5% correct classification rate. The overall correct classification rate of the model of 73.4% corrected indicates that the data was therefore appropriate in measuring the relationship between the CEOs Personality traits and the performance of Insurance companies in Kenya.

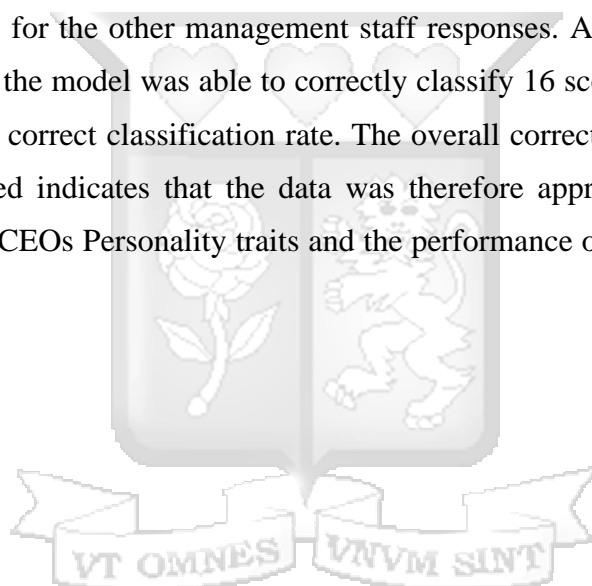


Table 4.37: Findings on Classification Matrix

Classification Table						
Respondents Category		Observed		Predicted		Percentage Correct
				Insurance Company Performance		
				Good Performance	Bad Performance	
CEOs	Step 1	Insurance Company Performance	Good Performance	16	2	88.9
			Bad Performance	12	4	75.0
		Overall Percentage				
Insurance Secretaries	Step 1	Insurance Company Performance	Good Performance	59	3	95.2

		Bad Performance	16	10	51.5
		Overall Percentage			73.4
a. The cut value is .500					

4.7.3 Findings on Binary Logistic Regression Analysis

The regression results as per Table 4.38 below had sought to establish whether various CEOs personality traits factors had a significant and positive effect on the performance of insurance companies in Kenya. The findings also indicated the responses between CEOs and Other Management Staff on the effects of CEOs personality traits factors on the performance of insurance companies in Kenya.

Table 4.38: Binary Logistic Regression Analysis

		B	S.E.	Wald	df	Sig.	Exp(B)
CEO's Openness	CEOs	46.261	23.459	3.889	1	.049	800.000
	Other Mgt Staff	88.064	46.753	3.548	1	.060	1.7618
CEO's Conscientiousness	CEOs	9.247	9.695	.910	1	.340	10372.917
	Other Mgt Staff	-39.411	27.121	2.112	1	.146	.000
CEO's Extraversion	CEOs	-51.930	15.071	11.873	1	.001	.000
	Other Mgt Staff	-8.853	24.228	.134	1	.715	.000
CEO's Emotional Stability	CEOs	-3.103	11.283	.076	1	.783	.045
	Other Mgt Staff	-24.911	28.442	.767	1	.381	.000
CEO's Agreeableness	CEOs	55.954	13.937	16.118	1	.000	19000.000
	Other Mgt Staff	38.923	20.031	3.776	1	.052	6912.000
Annual assets	CEOs	.449	5.703	.006	1	.937	1.567
	Other Mgt Staff	-.387	11.477	.001	1	.973	.679
Employee size	CEOs	-17.019	10.952	2.415	1	.120	.000
	Other Mgt Staff	5.260	24.583	.046	1	.831	192.422
Annual revenue	CEOs	88.777	26.987	10.821	1	.001	3.591
	Other Mgt Staff	37.723	39.145	.929	1	.335	268.000
Constant		-30.855	10.801	8.161	1	.004	.000

The binary logistic regression results as per Table 4.38 indicate there is a positive and significant relationship between CEO openness and firm performance based on the opinion of the CEOs (coefficient = 46.261, p-value = 0.049 < p-value of 0.05). However, there was an insignificant relationship between CEO openness and firm performance as per the opinion of the other management staff (coefficient = 88.064, p-value = 0.06 > p-value of 0.05). Therefore in summary the results indicated that CEOs felt that CEO's Openness had a significant and positive effect (Sig.000<.05) on the financial performance of Insurance companies in Kenya while the other

management staff felt that CEO's Openness had no significant and positive effect (Sig.000>.05) on the financial performance of Insurance companies in Kenya.

The findings of the study also indicated that there was no significant and no positive relationship between CEO's Conscientiousness and firm performance based on the opinion of both the CEO and other management staff (coefficient = 9.247, p-value = 0.34 > p-value of 0.05 and coefficient = -39.411, p-value = 0.146 > p-value of 0.05) respectively. Implying that both CEOs and other management staff felt that CEO's Conscientiousness had no significant nor positive effect (Sig.000>.05) on the financial performance of Insurance companies in Kenya.

In regard to CEO Extroversion the study binary logistic regression results indicated that there was a significant relationship between CEO Extroversion and financial performance of the firm based on the CEO's opinion (coefficient = -51.93, p-value = 0.001 < p-value of 0.05). However the CEO Extroversion had no significant relationship with the firm's performance as per the opinion of the other management staff (coefficient = -8.853, p-value = 0.715 > p-value of 0.05). The results therefore indicate that only the CEOs and not the other management staff felt that CEO's Extroversion had a significant and positive effect (Sig.000<.05) on the financial performance of Insurance companies in Kenya.

The results also indicated that CEO Emotional stability had no significant positive relationship with firms' performance based on the opinion of both the CEOs and other management staff (coefficient = -3.103, p-value = 0.783 > p-value of 0.05 and coefficient = -24.911, p-value = 0.381 > p-value of 0.05) respectively. This implied that both CEOs and Other Management Staff felt that CEO's Emotional Stability had no significant and positive (Sig.000>.05) effect on the financial performance of Insurance companies in Kenya.

Finally, the binary logistic regression results indicated a significant and positive relationship between CEO Agreeableness and firm performance based on the congruent opinion of both the CEOs and the other management staff (coefficient = 55.954, p-value = 0.000 < p-value of 0.05 and coefficient = 38.923, p-value = 0.052 < p-value of 0.05) respectively. An indication that both the

CEOs and Other Management Staff felt that CEO's Agreeableness had a significant and positive effect ($\text{Sig.000}<.05$) on the financial performance of Insurance companies in Kenya.

4.6 Chapter Summery

The chapter includes the results on the attributes of the insurance companies covered by the study, the demographic of the respondent, the descriptive statistical analysis and the inferential analysis that showed the relationship between CEO personal traits and the performance of insurance companies in Kenya. The study sampled 43 Insurance companies and 58 Insurance Intermediaries. The findings of the study indicated an average response of 60.1% of the total respondents covered by the study. According to the response, there was a 66.7% response rate for the insurance companies CEOs covered by the study and another 63.2% response among the insurance company intermediary CEOs, 69.8% for CFOs and Company Secretaries from the Insurance Companies while 56.3% response rate was registered by Senior Departmental Heads from Insurance intermediary Companies.

The results shows that CEOs felts that CEO's Openness had a significant and positive effect ($\text{Sig.000}<.05$) on the financial performance of Insurance companies in Kenya while the other management staff felt that CEO's Openness had no significant and positive effect ($\text{Sig.000}>.05$) on the financial performance of Insurance companies in Kenya. Both CEOs and other management staff felt that CEO's Conscientiousness had no significant and positive effect ($\text{Sig.000}>.05$) on the financial performance of Insurance companies in Kenya while only the CEOs and not other management staff felt that CEO's Extraversion had a significant and positive effect ($\text{Sig.000}<.05$) on the financial performance of Insurance companies in Kenya. The results also indicated that both CEOs and Other Management Staff felt that CEO's Emotional Stability had no significant and positive ($\text{Sig.000}>.05$) effect on the financial performance of Insurance companies in Kenya. On the other hand, the results indicated that both the CEOs and Other Management Staff felt that CEO's Agreeableness had a significant and positive effect ($\text{Sig.000}<.05$) on the financial performance of Insurance companies in Kenya.

The discussed findings on the Personality traits influence on Performance show that Personality directly affects the individual CEO`s performance in relation to his subordinates and the overall financial performance. Additionally, these findings are consistent with majority of previous researchers who contend that personality is an important and significant predictor of performance while very few authors disagree with this claim. Finally, the result indicated that Other Insurance Management Staff felt that CEO personality traits and controlled factors (annual revenue, annual total assets and employee size) had a more statistically significant effect on the financial performance of insurance companies in Kenya compared to the CEO responses.



CHAPTER FIVE
SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND
RECOMMENDATIONS

5.1 Introduction

The chapter presented the discussion of the research findings which were linked to the existing literature and the underlying theories intended to make sense of the findings. After the discussion of the findings, conclusions were drawn which assisted in the formulation of recommendations that would be of significant use to the relevant stakeholders of this study. The chapter winds up by presenting an elaboration on the limitations of the study and suggestions for future research.

5.2 Discussion of Findings

The following subsections summarize and discuss the research findings in line with each specific objective.

5.2.1 The effects of CEO Openness to Experience on the financial performance of insurance companies in Kenya.

In order to address the first objective of the study, the research examination first sought to establish the perceived effects of CEO Openness to experience on the financial performance of insurance companies in Kenya. The findings of the study indicated that for both the CEO and other management staff CEO Openness to Experience had a significant positive influence ($\text{Sig.000} < .05$) on the financial performance of insurance companies in Kenya. The study findings support findings by (Gow and Larcker 2016; Judge, 2015 and Nadkarni 2010). Gow and Larker, (2016) based their study on two samples of high quality personality data for chief executive officers using linguistic features extracted from conference calls to develop a measure of CEO personality in terms of the Big Five traits: agreeableness, conscientiousness, extroversion, neurotic-ism, and openness to experience. The authors argued that personality measures exhibit substantial out-of-sample predictive performance and are stable over time. Openness was positively associated with R&D intensity and negatively with net leverage. The current study findings agree with those of Gow and Larker (2016), possibly due to the usage of similar theory, the Five Factor Model and the units of analysis which were the CEO. Conversely the findings differ with those of other previous researchers, possibly due to the differences in the background

set and industry focused on. The findings on openness to new ideas disagreed with those by Wang and Chen, (2020) who observed a negative effect of the trait on performance. The study findings interestingly reveal that the CEO perceive their openness to new ideas to be a key predictor of the overall organizational performance. This is further confirmed by the other management of staff whose response revealed a significant positive effect of CEO openness on financial performance of insurance companies in Kenya. These findings show that the CEO in the insurance companies in Kenya perceive themselves to have strong imagination, set aside time for thinking and innovating new ways of doing things, they generate original solutions to problems, have or welcome lots of new ideas for change and are always prepared to bend rules and take risks to achieve changes and adaptation. The results thus indicate that the CEO try new ways of working, adapts quickly to change and prefer variety to routine.

5.2.2 The effects of CEO Conscientiousness on the financial performance of insurance companies in Kenya.

In order to address the second objective of the study, the research examination sought to establish the perceived effects of CEO Conscientiousness on the financial performance of insurance companies in Kenya. The results from the analysis also showed that both CEOs and other management staff felt that CEO Conscientiousness had insignificant positive effect ($\text{Sig}.000 > .05$) on the financial performance of Insurance companies in Kenya. The findings agree with (Nadkarni, 2010; Gow and Larker 2016; Wang and Chen, 2020). The results are in disagreement with the results by (Gillmert and Persson 2019; Kitchens, Michael, MeghaanLurtz, 2018). Gillmert and Persson, (2019) investigated the relationship between CEO Conscientiousness, short-term stock market reactions and CEO acquisitiveness in Sweden. They noted that conscientiousness has a positive impact on acquires` short-run cumulative abnormal returns although it has significant negative impact on M&A bid premiums. The results showed that the CEO conscientiousness entailed getting down to work quickly, initiating activities and preparing in advance, working hard, sets high standards, does more than is expected of him or her and like to be organized, keeps things tidy, does things according to a plan, completes tasks, excels at work, and also get things

done efficiently - did not have significant positive effects on firm's financial performance. The findings differ possibly due to the differences in the background set and industry focused on. Further, the results portray an interesting observation that both the CEO and other management of staff do not perceive conscientiousness as a significant predictor of performance especially with insurance companies being personalized service industry. The findings imply that the CEO are not keen on initiating activities, preparing in advance, setting high standards among others and that for them and other management staff, these variables do not affect their performance which under normal circumstance would seem to have a significant effect on work outcomes.

5.2.3 The effects of CEO's Extroversion on the financial performance of insurance companies in Kenya.

In order to address the third objective of the study, the research examination sought to establish the perceived effects of CEOs Extroversion on the financial performance of insurance companies in Kenya. The results of the findings indicated that for CEO Extroversion had a significant negative effect (Sig:<.05) while for other management staff it had an insignificant negative effect (Sig; >.05) on the financial performance of insurance companies in Kenya. The findings were on one hand in agreement with those by (Gow and Larker 2016; Kicthes, Michael and Meghaan Lurtz, 2018). On the other hand the study findings disagreed with those by (Wang and Chen, 2020; Malhotra, Reus, Zhu and Roelofsen, 2018; Nadkarni, 2010). It is interesting to note that the difference in background set up, applied research methodology, theories employed among others could be the possible reason for the inconsistencies in the research findings by different researchers. For instance, Nadkarni (2010) studied the perceived relationship between CEO personality, strategic flexibility and firm performance in Indian offshore outsourcing industry. The researcher observed that Extroversion has a significant positive impact on performance, agreeableness has inverted relationship with performance, openness and emotional stability have a positive relationship with strategic flexibility while conscientiousness has a negative relationship with strategic flexibility.

It is interesting to note results showed that the CEO of the insurance companies perceived themselves as not able to keep busy, react quickly, always on the go, fills spare time with

activity, like to be surrounded by people, talk a lot, enjoys social occasions and networks and that most of them get to know people quickly, always cheers the people up and enjoy contacts. And that the other management staff equally perceived CEO not to possess the above traits at work. Extroversion is normally the most eyed trait and considered to be a game changer in the jobs requiring social skills like marketing policies in an insurance company. However the contrast is what the results of these study reveals.

5.2.4 The effects of CEO`s Agreeableness on the financial performance of insurance companies in Kenya.

In order to address the fourth objective of the study, the research examination sought to establish the perceived effects of CEO Agreeableness on the financial performance of insurance companies in Kenya. The results from the analysis showed that both the CEO and Other Management Staff felt that CEO Agreeableness had a significant and positive effect ($\text{Sig}.000 < .05$) on the financial performance of Insurance companies in Kenya. The results are consistent with findings by (Wang and Chen, 2020; Kitches and Michael and Maghaan Lurtz, 2018; O`Reilly 2014). O`Reilly researched on the effects of CEO personality on organizational culture. O`Reilly`s findings revealed that CEO personality affects a firm`s culture and that culture is subsequently related to a broad set of organizational outcomes including a firm`s financial performance. That CEO personality dimensions are related to organizational culture (higher levels of Agreeableness and lower levels of Neurotic-ism are associated with more collaborative cultures) and that culture is related to firm outcomes (e.g., more adaptable cultures have a higher performance). On the contrary, the current study findings disagree with those by (Nadkarni 2010 and Judge, 2015). The consistencies in findings could possibly be driven by the differences in background set ups, theories and research methodologies applied by different researchers. For instance, Judge investigated the effects of personality where work done represented weak situations (if work was unstructured, employee had discretion to make decisions).The study observed that all the five traits were more predictive.(agreeableness-less positively related to performance in competitive contexts, extroversion-jobs requiring social skills, , openness_more strongly related to performance in jobs with strong innovation/ creativity requirements).The results

show that both the CEO and other management staff agree that the CEO keep quiet about achievements, avoids talking about self although always believes that people have good intentions, trusts people and behave straight forwardly, does not manipulate or use people. And that CEO always show concern, listens well, makes people feel welcome.

5.2.5 The effects of CEO`s Emotional Stability on the financial performance of insurance companies in Kenya.

In order to address the fifth objective of the study, the research examination sought to establish the perceived effects of CEOs Emotional stability on the financial performance of insurance companies in Kenya. The study had sought to establish whether among the CEOs and the other management staff, CEO`s Emotional Stability had a significant positive influence on the financial performance of insurance companies in Kenya. Both CEOs and Other Management Staff felt that CEO`s Emotional Stability had no significant and positive (Sig.000>.05) effect on the financial performance of Insurance companies in Kenya. The findings on the one hand agree with Judge, (2015) and on the other hand disagree with the results of (Wang and Chen 2020; Kitches, Michael and Meghaan Lurtz, 2018; Nadkarni, 2010). Nadkarni, (2010) established the perceived relationship between CEO personality, strategic flexibility and firm performance in Indian offshore outsourcing industry. Unlike the current study, Nadkarni observed that emotional stability has a positive effect on strategic flexibility. The current study findings would possibly contrast with the findings by previous researchers owing to the differences in background set up, research design and methodologies used. Further the findings disagree with the results by Kiplagat, (2019) who observed that the CEO`s optimism, humility and narcissism all had a positive effect on innovation of financial institutions in Kenya. It is interesting to observe that despite the similarity in background set up, for both the current study and that of Kiplagat, (2019), the findings disagree. This is possibly due to the differences in the theories applied, research design and methodologies adopted for study. The findings also indicated that emotional stability which entail facets like; being comfortable with self, happy with life, positive about future most of CEO of insurance companies worry less and sometimes do not find it easy to unwind, confidence in unfamiliar surroundings and with new people and that they are calm even under pressure, able to cope with problems and most of them quickly overcome set-backs_ was not perceived by both the CEO and

other management of staff to have a significant effect on the performance of insurance companies in Kenya.

5.3 Conclusions

This study was initiated with the aim of investigating the effects of CEO's Personality traits on the financial performance of insurance companies in Kenya. The findings of the study established that some independent Variable: CEO personality traits factors (CEO's Openness, CEO's Conscientiousness, CEO's Extroversion, CEO's Agreeableness and CEO's Emotional Stability) had significant positive or negative affect while some had insignificant positive or negative effect on firms' performance. And this depended upon the perceived opinion of either the CEO themselves or the opinion of the other management staff.

The results showed that both the CEOs and other management staff perceived that CEO's Openness and CEO's agreeableness have a significant positive effect (Sig.000<.05) on the financial performance of Insurance companies in Kenya. The results revealed that the CEOs perceived CEO's Conscientiousness to have an insignificant positive effect (Sig.000>.05), CEO's Extroversion a significant negative effect (Sig.000<.05) and Emotional stability insignificant negative effect (Sig.000>.05) on the financial performance of insurance companies in Kenya. The results further revealed that the other management staff perceived CEO's Conscientiousness, CEO's Extroversion and CEO's Agreeableness as having an insignificant negative effect (Sig.000>.05) on the financial performance of insurance companies in Kenya.

The discussed findings on the effects of Personality traits on Performance of insurance companies in Kenya, show that Personality directly affects the individual CEO's performance in relation to his subordinates and the overall financial performance. The importance of CEO's personality traits in performing their duties were not only found to be significant in this study but has also been emphasized by previous studies. Judge, (2015) and Peterson et al. (2003) suggested that a CEO is an important member of the firm's dominating coalition and as such has a profound impact on the strategic developments, directions and performance of the firm. The findings have further been emphasized by Hambrick (2007) that criticized those studies that treat a CEO just as another mere member of the top management team (TMT) of a firm. Further, the findings by Kplagat, (2019) in

regards to effects of CEO humility, optimism and narcissism on innovation of financial institutions in Kenya confirmed that personality is a major predictor of work outcomes. Additionally, these findings are partly consistent and partly inconsistent with the findings of previous researchers. This is interesting to note as it affirms some of the reasons why there are inconsistencies in various personality researchers' findings owing to the differences in background set ups and industry covered by the study, the theories and study methodologies among others. The results also indicated that Other Insurance Management Staff felt that except agreeableness and Openness to new ideas, CEO's conscientiousness, extroversion and emotional stability did not have a significant positive effect on financial performance of insurance companies in Kenya. The results also indicated that the CEO perceived that except their agreeableness and openness to new ideas which had significant positive effect, extroversion had a significant negative effect while conscientiousness and emotional stability had an insignificant positive and negative effects respectively. It is very interesting to observe that the CEO themselves perceive their Extroversion as a significant negative predictor of their performance. Given the nature of unstructured work they do which requires high level of sociability to sale their brand of products and services, one would expect Extroversion to be and admired and shared skill in deriving a competitive advantage. Another important aspect noted is that, only the CEO perceived annual revenue to have an influence on the performance. Further, both the CEO and other management staff perceived employee size and total assets as having no influence on the performance. Generally, this denotes that other than the firm attributes, the soft skills embedded on the personality of the influential leader of the day play a key role in predicting the performance of the company.

Finally, as was observed by majority of researchers and confirmed by current study, personality is a consistent predictor of leadership and performance (Wang & Chen, 2020; Gillmert & Persson, 2019; Nadkarni 2010; Judge 2015; Kiplagat 2019). Therefore, this is a wake up call to institutional leaders to not only invest in hiring based on the contemporary measures of job qualifications like education, but to also design a mechanism that enables identifying, tapping, developing, nurturing and applying the positive personality predictors of performance in their respective background set and industry.

5.4 Recommendations

The study proposes the following recommendations to the managers and policy formulators as presented in the following sub-sections. The section closes with the new knowledge contributed in personality research.

5.4.1 Managerial Recommendations

A careful understanding and treatment of personality theories and personality traits therein contributes to a favourable organizational performance hence the following recommendations; The management should be motivated in formulating appropriate CEO appraisal mechanisms that would lead to the development and application of the identified effective personality traits with significant positive influence on performance to precisely promote financial performance among insurance companies in Kenya.

The management should also consider organizing personality workshops and seminars for top management and staff to raise awareness on the personality theories, personality traits and their influence on performance. The management should be motivated to provide opportunities like open day forums to allow employees hold discussions on which features or traits should be improved, thereby influence a better climate for organizational collaboration, increase team work hence promote performance. Further, it is the responsibility of the management to always ensure that the aforementioned programs are frequently implemented in order to unveil and apply effective and desirable personality features that have a positive and very significant influence on performance. This is crucial since the mere formulation of the personality programs without seeing to it that they are properly implemented would not add any value in the move to significantly promote performance.

A comparison on the CEO responses and the other management staff responses covered by the study indicated that Other Insurance Management Staff felt that CEO personality traits and controlled factors (annual revenue, annual total assets and employee size) had a more statistically significant effect on the financial performance of insurance companies in Kenya.

5.4.2 Policy Recommendations

The study noted need for the effective training for CEOs and top management of Insurance companies to improve their personalities that is crucial in the achievement of the organization goals and objective. There is also need for policy development at the insurance regulatory authority to emphasize on training on emotional intelligence and good personality traits for top management in the sector as this will form a foundation on the understanding of personality traits and their influence on performance. Lastly, the government and policy formulators should consider designing a national yearly award for top managers that achieve high levels of performance. This will encourage the development of desirable personality traits which influence performance in a positive and very significant way.

5.4.3 Contribution to Knowledge

Finally, the research investigation contributes to the existing literature on the effects of CEO's personality traits on the financial performance of insurance companies in Kenya since a knowledge gap existed in this particular field. Additionally, it contributed to the Personality trait literature by seeking to establish the effect of the CEO's Five personality traits namely- openness, conscientiousness, extroversion, agreeableness and Neurotic-ism on the financial performance of insurance companies and the moderating effects of firm attributes on the relationship between personality traits and financial performance of insurance companies in Kenya.

The study contributes to personality research by establishing that there is relationship between CEO personality and financial performance of insurance firms in Kenya if the other factors are controlled or managed. This indicates that just having CEO with good personality traits is not enough and that the Insurance companies and Insurance brokers must also look at other variables that collectively affect the organization financial performance such as annual revenue, annual total assets and employee size.

The methodological contribution was the employment of factor analysis to reduce variables, then analysis of the data using multiple regression analysis and testing the moderating effect of firm attributes on the relationship between the personality traits and the financial performance and the descriptive analysis.

5.5 Limitations and Suggestions for Future Research

The main limitation of this research study was that it was solely based on perceptions of the respondents. The limitation being that though the thoughts and opinions of the management are based on expert knowledge it could be subject to bias. Therefore, the study cannot completely ratify that it retrieved credible information on the effect of CEO`s personality traits and firm attributes on the financial performance of insurance companies in Kenya. Consequently, future studies should incorporate both qualitative and empirical methodologies to produce more objective outcomes that would clearly depict the effect of firm attributes on the relationship between CEO`s personality and the financial performance of insurance companies in Kenya. Future studies should be extended to the public sector in regard to the government ministries as well as more private sector coverage like real estate, auto-mobile sectors, manufacturing among others respectively. Further, the current study suggests that future research can consider the effects of personality on performance evaluating the role of gender and culture.



REFERENCES

- Barrick, M.R., & Mount, M.K. (1991). The Big Five personality dimensions and job Performance. A meta-analysis. *Personnel Psychology*, 44,(1), 1-26.
- Barrick, M. r., Mount, M. K., Judge, T.A. (2001) Personality and performance at the beginning of the new millennium: What do we know and where do we go next? *International Journal of selection and Assessment*, 9(2), 9-30.
- Barrick, M. R., & Mount, M. K. (2005). Yes, personality matters: Moving on to more important matters. *Human Performance*, 18, (2) ,359-372.
- Blumentritt, T. P., Keyt, A. D., & Astrachan, J. H. (2007). Creating an environment for successful non-family CEOs: An exploratory study of good principals. *Family Business Review*, 20, (1), 321-335.
- Boivie, S., Lange, D., McDonald, M. L., & Westphal, J. D. (2011). Me or we: The effects of CEO organizational identification on performance. *Academy of Management Journal*, 54(3), 551-576.
- Brickley, J. A., Coles, J. L., & Jarrell, G. (1997). Leadership structure: Separating the CEO and chairman of the board. *Journal of corporate Finance*, 3(3), 189-220.
- Chatterjee, A., & Hambrick, D. C. (2011). Executive personality, capability cues, and risk taking how narcissistic CEOs react to their successes and stumbles. *Administrative Science Quarterly*, 56(2), 202-237.
- Chatman, J. A., Caldwell, D. F., O'Reilly, C. A., & Doerr, B. (2014). Parsing organizational culture: How the norm for adaptability influences the relationship between culture consensus and financial performance in high-technology firms. *Journal of Organizational Behavior*, 35, (1) 785-808.
- Carvalho, V. M., & Grassi, B. (2019). Large firm dynamics and the business cycle. *American Economic Review*, 109(4), 1375-1425.
- Clarke, T. (2004). *Theories of Corporate Governance*. Routledge, London, UK
- Cooper, A. G., & Schindler, B. M. (2000). *Sampling Techniques*, McGraw Hill, London, UK

- Crossland, C., & Hambrick, D. C. (2007). How national systems differ in their constraints on corporate executives: A study of CEO effect in three countries. *Strategic Management Journal*, 28(8), 767-789.
- Crossland, C., & Hambrick, D. C. (2011). Differences in managerial discretion across countries: How nation-level institutions affect the degree to which CEOs matter. *Strategic Management Journal*, 32, (1),797-819.
- Dar, M. S., Ahmed, S., & Raziq, A. (2017). Small and medium-size enterprises in Pakistan: Definition and critical issues. *Pakistan Business Review*, 19(1), 46-70.
- Drakopoulos, S. A., & Katselidis, I. (2017). The relationship between psychology and economics: insights from the history of economic thought, *American Economic Review*, 102(6), 84-98
- Engelen, A., Neumann, C., & Schmidt, S. (2013). Should entrepreneurially oriented firms have narcissistic CEOs? *Journal of Management*, 20, 1-24.
- Ehrhart, M. G., Ehrhart, K. H., Roesch, S. C., Nadler, B. G., & Bradshaw, K. (2009). Testing the latent factor structure and construct validity of the Ten-Item Personality Inventory. *Personality and Individual Differences*, 47, 900-905.
- Funder, D. C. (2012). Accurate personality judgment. *Current Directions in Psychological Science*, 21, (6)177-182.
- Finkelstein, S., & Boyd, B. K. (1998). How much does the CEO matter? The role of managerial discretion in the setting of CEO compensation. *Academy of Management journal*, 41(2), 179-199.
- Frick, D. M. (2004). *Robert K. Greenleaf: A life of servant leadership*. Berrett-Koehler Publishers, USA
- Ghardallou, w., Borgi, h., & Alkhalifah, h. (2020). CEO Characteristics and Firm Performance: A Study of Saudi Arabia Listed Firms. *The Journal of Asian Finance, Economics, and Business*, 7(11), 291-301.
- Gray, M. R., (2017). The Importance of Personality Trait Screening for Today's Organizations – Application of the Five Factor Model (FFM). Retrieved from.
- Guenzel, M., & Malmendier, U. (2020). *Behavioral corporate finance: The life cycle of a CEO career* (No. w27635). National Bureau of Economic Research, New York, USA

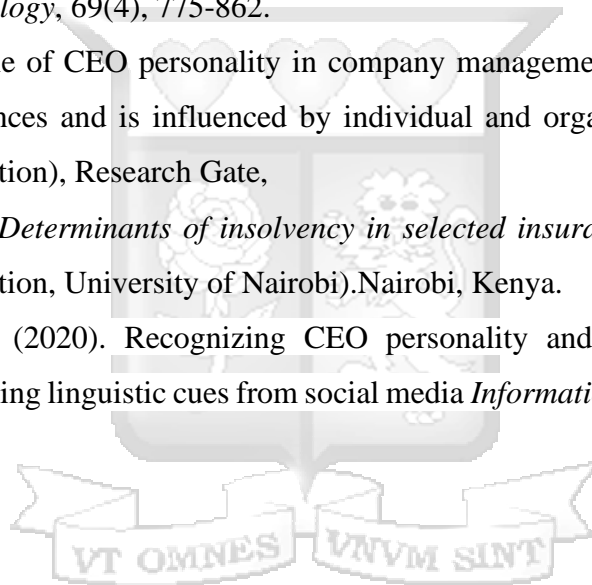
- Guenzel, M., & Malmendier, U. (2020). *Behavioral corporate finance: The life cycle of a CEO career* (No. w27635). National Bureau of Economic Research, New York, USA
- Gupta, A., Nadkarni, S., & Mariam, M. (2019). Dispositional sources of managerial discretion: CEO ideology, CEO personality, and firm strategies. *Administrative Science Quarterly*, 64(4), 855-893.
- Gosling, S. D., Rentfrow, P. J., & Swann, W. B., Jr. (2003). A very brief measure of the big five personality domains. *Journal of Research in Personality*, 37 (3)504-528.
- Hoffman, B. J., Woehr, D. J., Maldagen-Youngjohn, R., & Lyons, B. D. (2011). Great man or great myth: A quantitative review of the relationship between individual differences and leader effectiveness. *Journal of Occupational and Organizational Psychology*, 84 (5),347-381.
- Hoffman, D. A., & Jones, L. M. (2005). Leadership, collective personality, and performance. *Journal of Applied Psychology*, 90(1), 509-522.
- Hambrick, Donald C, & Mason, P. A. (1984). Upper Echelons: The Organization as a Reflection of Its Top Managers. *Academy of Management Review*, 9(2), 193-206. Academy of Management. doi: 10.2307/258434
- Huu Nguyen, A., Thuy Doan, D., & Ha Nguyen, L. (2020). Corporate Decisions and Agency Cost: Empirical Evidence from Vietnam. *Journal of Risk and Financial Management*, 13(5), 103.
- Judge, T. A., Bono, J. E., Iles, R., & Gerhardt, M. W. (2002). Personality and leadership: A qualitative and quantitative review. *Journal of Applied Psychology*, 87 (4),765-780.
- Hambrick, D C. (2007). Upper echelons theory: An update. *Academy of Management Review*, 32(2), 334-343. *Academy of Management*. doi: 10.2307/20159303.
- Judge, T. A., & Cable, D. M. (1997). Applicant personality, organizational culture, and organization attraction. *Personnel Psychology*, 50, (7)359-394.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, performance and ownership structure. *Journal of financial economics*, 3(4), 305-360.
- Jensen, M. C., & Murphy, K. J. (1990). CEO incentives: It's not how much you pay, but how.

- Kannadhasan, M. (2009). Impact of individual and Organisational characteristics On risk analysis in strategic Investment decisions, *Personnel Psychology*, 45 (4)111-124.
- Kitces, Michael, and Meghaan Lurtz. 2018, November 12. "The Defining Personality Traits of (Successful) Financial Planners." Nerd's Eye View.
- Li, Y., & Singal, M. (2019). Firm performance in the hospitality industry: Do CEO attributes and compensation matter?. *Journal of Hospitality & Tourism Research*, 43(2), 272-282.
- Lin, W. L., Cheah, J. H., Azali, M., Ho, J. A., & Yip, N. (2019). Does firm size matter? Evidence on the impact of the green innovation strategy on corporate financial performance in the automotive sector. *Journal of Cleaner Production*, 229 (3),974-988.
- Ling, Y. A. N., Simsek, Z., Lubatkin, M. H., & Veiga, J. F. (2008). Transformational leadership's role in promoting corporate entrepreneurship: Examining the CEO-TMT interface. *Academy of Management journal*, 51(3), 557-576.
- Nadkarni, S., & Herrmann, P. (2010). CEO personality, strategic flexibility, and firm performance: The case of the Indian business process outsourcing industry. *Academy of Management Journal*, 53,(1)1050-1073.
- Mintzberg, H. (1975). The manager's job: Folklore and fact. *Academy of Management Review*, 9(2), 193-206
- Chatterjee, A., & Hambrick, D. C. (2007). Narcissistic chief executive officers and their effects on company strategy and performance. *Administrative Science Quarterly*, 52(3), 351-386.
- Machira, E. N. (2016). *Effect Of Corporate Governance On Financial Perfomance Of Insurance Firms In Kenya* (Doctoral dissertation, University Of Nairobi), Nairobi, Kenya
- McAdams, D. P. (1995). What do we know when we know a person?. *Journal of personality*, 63(3), 365-396.
- Nevecká, B., De Hoogh, A. H. B., Van Vianen, A. E. M., Beersma, B., & McIlwain, D. (2011). All I need is a stage to shine on: Narcissists' leader emergence and performance. *The leadership Quarterly*, 22(5), 910-925.

- Ng, E. S., & Sears, G. J. (2012). CEO leadership styles and the implementation of organizational diversity practices: Moderating effects of social values and age. *Journal of business ethics*, 105(1), 41-52.
- Njagi, P. W. (2016). *The Relationship Between Corporate Governance Practices and the Financial Performance of Top 100 Small and Medium Enterprises in Kenya* (Doctoral dissertation, University of Nairobi), Nairobi, Kenya
- Ozer, D. J., & Benet-Martinez, V. (2006). Personality and the prediction of consequential outcomes. *Annual Review of Psychology*, 57, 401-421.
- Oppong, S. (2014). Upper echelons theory revisited: The need for a change from causal description to casual explanation. *Management: Journal of Contemporary Management Issues*, 19(2), 169-183.
- Pagano, P., & Schivardi, F. (2003). Firm size distribution and growth. *Scandinavian Journal of Economics*, 105(2), 255-274.
- Peterson, S. J., Galvin, B. M., & Lange, D. (2012). CEO servant leadership: Exploring executive characteristics and firm performance. *Personnel Psychology*, 65(3), 565-596.
- Peterson, R. S., Smith, D. B., Matorana, P. V., & Owens, P. D. (2003). The impact of Chief Executive Officer personality on top management team dynamics: One mechanism by which leadership affects performance. *Journal of Applied Psychology*, 88, 795-808.
- Parks, L., & Guay, R. P. (2009). Personality, values, and motivation. *Personality and Individual Differences*, 47, 675-684.
- Roe, M. J. (2005). *The institutions of corporate governance*. In *Handbook of new institutional economics* (pp. 371-399). Springer, Boston, MA.
- Rono, J. C. (2018). Effects of Chief Executive Officer attributes on financial distress in commercial banks in Kenya (Doctoral dissertation, Strathmore University)., Nairobi, Kenya
- Robertson, I. T., Baron, H., Gibbons, P., MacIver, R., & Nyfield, G. 2000. Conscientiousness and managerial performance, *Personality and Individual Differences*, 22, (7),23-56.

- Salgado, J. F., & Rumbo, A. 1997. Personality and job performance in financial service managers. *International Journal of Selection and Assessment*, 13: 261—273.
- Schoorman, F., & Donaldson, L. (1997). The Distinctiveness of Agency Theory and Stewardship Theory. *Academy of Management Review*, 22(5), 611-613
- Shamoo, A. E., & Resnik, D. B. (2013). *Responsible Conduct of Research* (2 Edition ed.). Oxford University Press, London, UK
- Stamoulis D.T. & Neal PJ (2019). The High Price of Bad CEO Behavior. *Russellreynolds.com*. Retrieved 20th November 2020 from <https://www.russellreynolds.com/insights/thought-leadership/the-high-price-of-bad-ceo-hiring>,
- Subrahmanyam, A. (2008). Behavioural finance: A review and synthesis. *European Financial Management*, 14(1), 12-29.
- Tett, R. P., & Burnett, D. D. 2003. A personality trait-based interactionist model of job performance. *Journal of Personality and Social Psychology*, 88: 501—517.
- Tett, R. P., & Christiansen, N. D. 2007. Personality tests at the crossroads: A response to Morgeson, Campion, Dipboye, Hollenbeck, Murphy, and Schmitt (2007). *Personnel Psychology*, 60 (1) , 967—993.
- Tett, R. P., & Guterman, H. A. 2000. Situation trait relevance, trait expression, and cross situational consistency: Testing a principle of trait activation. *Personnel Psychology*, 34 (2), 397—423.
- Tett, R. P., Jackson, D. N., & Rothstein, M. 1991. Personality measures as predictors of job performance: A meta-analytic review. *Personnel Psychology*, 44(1), 703—801
- Tatum, B. C., Eberlin, R., Kottraba, C., & Bradberry, T. (2003). Leadership, decision making, and organizational justice. *Management Decision*, 41(10), 1006–1016
- Ting, I. W. K., Azizan, N. A. B., & Kweh, Q. L. (2015). Upper echelon theory revisited: The relationship between CEO personal characteristics and financial leverage decision. *Procedia-Social and Behavioral Sciences*, 195, (6), 686-694.

- Tomak, S. (2013). The impact of overconfidence on capital structure in Turkey. *International Journal of Economics and Financial Issues*, 3(2), 512-518.
- Velnampy, T., & Niresh, J. A. (2012). The relationship between capital structure and profitability. *Global journal of management and business research*, 12(13).
- Vijayakumaran, Ratnam. (2019). Agency cost, ownership, and internal decisions mechanisms: Evidence from Chinese listed companies. *Asian Economic and Financial Review* 9 (4), 133–54
- Wang, G., Holmes Jr, R. M., Oh, I. S., & Zhu, W. (2016). Do CEOs matter to firm strategic actions and firm performance? A meta-analytic investigation based on upper echelons theory. *Personnel Psychology*, 69(4), 775-862.
- Wang, J. (2016). The role of CEO personality in company management: Examining how CEO narcissism influences and is influenced by individual and organizational characteristics (Doctoral dissertation), Research Gate,
- Waweru, M. N. (2014). *Determinants of insolvency in selected insurance companies in Kenya* (Doctoral dissertation, University of Nairobi). Nairobi, Kenya.
- Wang, S., & Chen, X. (2020). Recognizing CEO personality and its impact on business performance: Mining linguistic cues from social media *Information & Management*, 57(5), 103173



APPENDICES

Appendix I: Introductory Letter

Old Strathmore Rd, Meru on Parade,
P.O. Box 39657 00200, Nairobi Kenya.
Cell: +254 703 41 1067, Teller: 3685 Kenya
Email: info@strathmore.ac.ke or vis. www.strathmore.edu



Strathmore
UNIVERSITY
BUSINESS SCHOOL

8th August 2021

To whom it may concern,

Dear Sir/ Madam

RE: FACILITATION OF RESEARCH – MARY NYAKUNDI

This is to introduce Mary Nyakundi who is a Master of Commerce (MCOM) Student at Strathmore University Business School, admission number MCOM/123007. As part of our MCOM Program, Mary is expected to do applied research and undertake a project. This is in partial fulfilment of the requirements of the MCOM course. To this effect, Mary would like to request for appropriate data from your organization.

Mary is undertaking a research paper on “The Effects of CEO Personality Traits on the Financial Performance of Insurance Companies in Kenya.” The information obtained shall be treated confidentially and shall be used for academic purposes only.

Our MCOM seeks to establish links with industry, and one of these ways is by directing our research to areas that would be of direct use to industry. We would be glad to share our findings with you after the research, and we trust that you will find them of great interest and of practical value to your organization.

We appreciate your support and shall be willing to provide any further information if required.

Yours sincerely,

Njoki Kiagiri
Associate Manager – Graduate Programs.
Strathmore University Business School.

Association of African
Business Schools



Strathmore Business School (In Final Year of)



AACSB

Appendix II: Study Questionnaire

This questionnaire seeks to collect data on the effect of firm attributes on the relationship between personality traits and the financial performance of insurance companies. You are requested to respond to all the items in this questionnaire truthfully. You will not be required to record your name or that of your company since the data retrieved will be used for generalization purposes.

SECTION A: GENERAL INFORMATION

1. Gender: Male Female

2. Sector that your firm operates in

Insurance Company Insurance Intermediaries

3. Job Title:.....

4. Managerial Experience

Duration	Tick √ (Where appropriate)
Less than 1 years	
1-5 years	
6-10 Years	
Over 10 Years	

5. Education Qualification

Level of Education	Tick √ (Where appropriate)
Higher Diploma	
Bachelor's Degree	
Master's Degree	
PhD/Doctorate	

6. Average Annual Revenue of your Company

	Tick √ (Where appropriate)
Less 250 Million	
260-500 Million	
510-750 Million	
760Million - 1 billion	

More than 1 Billion	
---------------------	--

7. Average Asset Base of your Company

Average Asset Base	Tick \checkmark (Where appropriate)
Less 250 Million	
260-500 Million	
510-750 Million	
760Million - 1 billion	
More than 1 Billion	

SECTION B

EFFECTS OF CEOS PERSONAL TRAITS AFFECT THE PERFORMANCE OF INSURANCE COMPANIES IN KENYA

Statements on the extent to which CEO`s Personal traits affect the performance of Insurance Companies in Kenya

Key: 1 Strongly Disagree, 2 Disagree, 3 Neutral, 4 Agree, 5 Strongly Agree

No	Personality Trait	Strongly Disagree: 1	Disagree: 2	Fairly agree: 3	Agree : 4	Strongly Agree: 5
CEO`s Openness to Experience						
1	Has strong imagination, sets aside time for thinking and innovating new ways of doing things					
2	Generates original solutions to problems, has lots of ideas for change					
3	Prepared to bend the rules and take risks to achieve change and adaptation					
4	Tries new ways of working, adapts quickly to change, prefers variety to routine					
5	Bureaucratically adheres to rules thus hesitant to deviate from the norm					
Conscientiousness						
6	Gets down to work quickly, initiates					

	activities, prepares in advance					
7	Works hard, sets high standards, does more than is expected of him or her					
8	Likes to be organized, keeps things tidy, does things according to a plan					
9	Completes tasks, excels at work, gets things done efficiently					
Extravert						
10	Keeps busy, reacts quickly, is always on the go, fills spare time with activity					
11	Likes to be surrounded by people, talks a lot, enjoys social occasions and social networks					
12	Gets to know people quickly, cheers people up, enjoys contact					
13	Completes tasks, excels at work, gets things done efficiently					
Agreeableness						
14	Keeps quiet about achievements, avoids talking about self					
15	Shows concern, listens well, makes people feel welcome					
16	Behaves straightforwardly, does not manipulate or use people					
17	Believes that people have good intentions, trusts people to be honest					
Emotional Stability (Neuroticism)						

18	Calm under pressure, • copes with problems, overcomes setbacks quickly					
29	Confident in unfamiliar • surroundings and with new people					
20	Comfortable with self, • happy with life, positive about future					
21	Has fewer worries than • most people, finds it easy to unwind					

Statements on the performance of Insurance Companies in Kenya

Key: 1 Strongly Disagree, 2 Disagree, 3 Neutral, 4 Agree, 5 Strongly Agree

Claims Ratio	Strongly Disagree: 1	Disagree: 2	Fairly Agree: 3	Agree: 4	Strongly Agree: 5
The company faces a higher claims ratio than the expected standards causing low performance attributable to the incoming of the current CEO					
Since the inception of the CEO company faces a lower claims ratio than expected and as such customers face difficulties in claiming.					
Average Cost Per Claim=					
The CEO's focus on costs minimization led company's average cost per claim to drop in terms of money utilized to settle a claim					
The turnaround time per claim settlement has dropped with the current CEO					
Under the management of the current CEO, there is an efficient management of reserves enabling prompt answering of claims.					

Liquidity Level					
The company has a quality liquidity management system in sourcing funds					
Investments are mostly liquid in the company					
The company sells off their investment when it does not have enough money to settle claims					
The company's financial strength is adequate to meet the ongoing policy holders' obligations					
There is a high portfolio's level of cash and short term investment (i.e portfolio of readily saleable securities)					
Liquidity has a great influence on the financial performance of our company.					
Profitability					
The CEO's leadership contributes to increasing premiums and lower number of claims thereby making incremental profits.					
The level of profitability growth is declined with the current CEO					
The level of profitability is declined due to high number claims to be settled.					
High ratio of debt to equity results in high costs of capital reducing profitability.					
Underwriting Risk					
The major source of income is income from the sale of insurance policies					
Income from underwriting risk is on the rise since inception of current CEO					

Investment income being another source of income ensures majority of assets are invested in low-risk bonds, equities and money markets					
Annual Total Assets					
Firm with high asset base face less difficulty in getting access to credit from financial institutions thereby achieving great variety of financing alternatives					
A low annual total asset base is an important determinant of insurance firm`s returns					
A high asset base makes the firm a more visible, well recognized brand hence commands extended market share and increased revenue.					
A firm with a high asset base is able to exploit economies of scale enabling them command higher performance					
Firm with high asset base are more mature, stable and generate high sales due to high production capacity					
Employee Size					
A high number of employees enable higher productivity thereby promoting total revenue while a lower number is a drawback to productivity.					
The employees meet their personal/ organizational goals					
There is high level of Service delivery in our firm due to high number of employees and provision of performance contracting					
Performance contracting highly influences the Employee Satisfaction in our Company					

The employees are regularly promoted due to their high level performance					
The large number of employees are always motivated to delivery their service effectively					
Employee are fully commitment to their jobs due to the performance contracting					
Annual Revenue					
The firm`s annual premiums grow at an increasing rate					
Investment income is secured by investing in readily saleable securities					
The investment income grows at an increasing rate					

TAHNK YOU FOR YOUR PARTICIPATION



Appendix III: Time line for the Study

TIMELINE OF THE RESEARCH STUDY	
1 st to 22 nd December 2021	Corrections of the research project based on the comments of the panel members and application and retrieval of research permit letter from NACOSTI.
4 th and 5 th January 2022	Conducting a pilot study.
6 th and 7 th January 2022	Analysis of the pilot study results and correction of the questionnaire to enhance its validity based On the recommendations of the respondents.
28 th January to 20 th May 2022	Main data collection exercise.
23 rd May to 28 th June 2022	Data analysis, interpretation, discussion and Producing of the final research report.
July 2022	Submission of the research report and preparing For the research seminar defence.

Source: Researcher (2021)

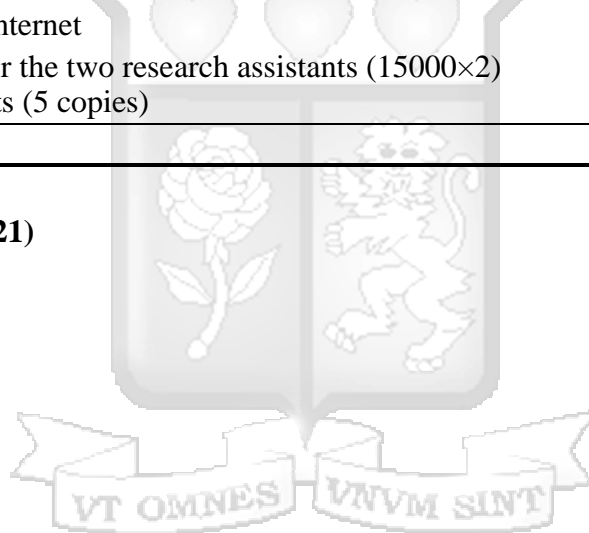


Appendix VI: Study Budget






BUDGET PLAN

	KShs.	KShs.
Cost of printing 1 questionnaire that was used for photocopying the rest of the 201 questionnaires (1×3×10)	30	
Cost of photocopying the rest of the 187 questionnaires (201×3×3)	1809	1839
Transportation cost and internet		10,000
Remuneration expense for the two research assistants (15000×2)		30,000
Printing and Binding costs (5 copies)		5,500
TOTAL		47,339

Source: Researcher (2021)



Appendix: V: NACOSTI RESEARCH LICENSE

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 178572	Date of Issue: 21/December/2021
RESEARCH LICENSE	
	
This is to Certify that Ms. Mary Kwamboka Nyakundi of Strathmore University, has been licensed to conduct research in Nairobi on the topic: THE EFFECT OF CEO PERSONALITY TRAITS ON THE FINANCIAL PERFORMANCE OF INSURANCE COMPANIES IN KENYA for the period ending : 21/December/2022.	
License No: NACOSTI/P/21/14801	
178572 Applicant Identification Number	 Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
	Verification QR Code 
NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.	

Appendix VI: Ethics Approval



Strathmore
UNIVERSITY

4th April 2022

Ms Nyakundi Mary,
mary.nyakundi@strathmore.edu

Dear Ms Nyakundi,

RE: The Effect of Ceo Personality Traits on The Financial Performance of Insurance Companies in Kenya

This is to inform you that SU-IERC has reviewed and **approved** your above **SU masters'** research proposal. Your application reference number is **SU-IERC1255/21**. The approval period is **4th April 2022 to 3rd April 2023**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-IERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-IERC within 48 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-IERC within 48 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to SU-IERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

for: **Dr Ben Ngoye, Secretary; SU-IERC**

Cc: Prof Fred Were, Chairperson; SU-IERC

STRATHMORE UNIVERSITY INSTITUTIONAL
ETHICS REVIEW COMMITTEE

(SU-IERC)

04 Apr 2022

Appendix VII: List of Leading Insurance Companies and Intermediaries in Kenya



LICENSED INSURANCE INTERMEDIARIES FOR 2019 AS AT 28TH JANUARY 2019

IN PURSUANCE of Section 184 of the Insurance Act, the Commissioner of Insurance gives notice that the following are authorized to transact insurance business as Insurance Claims Settling Agents for the year 2019.

Sl No	File Number	Name
1	IRA/07/065/2019	Bima Claims Settling Agents
2	IRA/07/080/2019	Digna International Health Services Kenya Ltd
3	IRA/07/063/2019	Independent Adjusters Kenya Limited
4	IRA/07/063/2019	Recessators Claims Settling Agency

IN PURSUANCE of Section 184 of the Insurance Act, the Commissioner of Insurance gives notice that the following are authorized to transact insurance business as Insurance Brokers for the year 2019 (28th January, 2019)

No.	File Number	Name
1	IRA/06/122/2019	AH Insurance Brokers Limited
2	IRA/06/226/2019	ABC Insurance Brokers Limited
3	IRA/06/091/2019	Aboco Insurance Brokers Limited
4	IRA/06/540/2019	Acencia Insurance Brokers Limited
5	IRA/06/279/2019	Academy Insurance Brokers Limited
6	IRA/06/572/2019	Acuity Insurance Brokers Limited
7	IRA/06/538/2019	Africa Insurance Brokers Limited
8	IRA/06/236/2019	Africanfield Insurance Brokers Limited
9	IRA/06/301/2019	AL Africa Insurance Brokers Limited
10	IRA/06/591/2019	Alfon Insurance Brokers Limited
11	IRA/06/541/2019	Alpha-Lexis Insurance Brokers Limited
12	IRA/06/489/2019	Alpine Insurance Brokers Limited
13	IRA/06/525/2019	Amara Insurance Brokers Limited
14	IRA/06/476/2019	Amra Insurance Brokers Limited
15	IRA/06/313/2019	Amra Insurance Brokers Limited
16	IRA/06/539/2019	Amra Insurance Brokers Limited
17	IRA/06/481/2019	A-Plan Insurance Brokers Limited
18	IRA/06/574/2019	Amara Africa Insurance Brokers Limited
19	IRA/06/546/2019	Arta Insurance Brokers Limited
20	IRA/06/515/2019	Aspen Insurance Brokers Limited
21	IRA/06/300/2019	Associated Insurance Brokers Limited
22	IRA/06/05/2019	Assured Insurance Brokers Limited
23	IRA/06/454/2019	Aum Insurance Brokers Limited
24	IRA/06/581/2019	Avila Insurance Brokers Limited
25	IRA/06/287/2019	Avant Insurance Brokers Limited
26	IRA/06/408/2019	Bafesa Insurance Brokers Limited
27	IRA/06/238/2019	Bahari Insurance Brokers Limited
28	IRA/06/531/2019	Bape Insurance Brokers Limited
29	IRA/06/311/2019	Batani Insurance Brokers Limited
30	IRA/06/570/2019	Bentali Insurance Brokers Limited
31	IRA/06/578/2019	Berday Insurance Brokers Limited
32	IRA/06/077/2019	Borne Insurance Brokers Limited
33	IRA/06/394/2019	Bottonery Insurance Brokers Limited
34	IRA/06/555/2019	Broadcover Insurance Brokers Limited
35	IRA/06/414/2019	BTB Insurance Brokers Limited
36	IRA/06/481/2019	Buam Insurance Brokers Limited
37	IRA/06/125/2019	Canopy Insurance Brokers Limited
38	IRA/06/24/2019	Centaur Insurance Brokers Limited
39	IRA/06/005/2019	Chancery Wright Insurance Brokers Limited
40	IRA/06/491/2019	Charterwell Insurance Brokers Limited
41	IRA/06/310/2019	Chester Insurance Brokers Limited
42	IRA/06/494/2019	Chertan Insurance Brokers Limited
43	IRA/06/002/2019	Clarkson Insurance Brokers Limited
44	IRA/06/559/2019	Complete Solutions Insurance Brokers Limited
45	IRA/06/054/2019	Convalitated Insurance Brokers Limited
46	IRA/06/207/2019	Convores Insurance Brokers Limited
47	IRA/06/045/2019	Coventry Insurance Brokers Limited
48	IRA/06/400/2019	D & C Insurance Brokers Limited
49	IRA/06/294/2019	Dansey Insurance Brokers Limited
50	IRA/06/407/2019	Dipwenty Insurance Brokers Limited
51	IRA/06/001/2019	Eagle Africa Insurance Brokers Kenya Limited
52	IRA/06/403/2019	Edeka Risk Insurance Brokers Limited

53	IRA/06/591/2019	Empirelink Insurance Brokers Limited
54	IRA/06/573/2019	Enroeth Insurance Brokers Limited
55	IRA/06/062/2019	Executive Insurance Brokers Limited
56	IRA/06/336/2019	Fairness Insurance Brokers Limited
57	IRA/06/558/2019	Fast Fit Insurance Brokers Limited
58	IRA/06/521/2019	Fdy Takeful (Insurance) Brokers Limited
59	IRA/06/528/2019	First Accord Insurance Brokers Limited
60	IRA/06/538/2019	First American Insurance Brokers Limited
61	IRA/06/550/2019	Foot Insurance Brokers Limited
62	IRA/06/104/2019	Formax Insurance Brokers Limited
63	IRA/06/335/2019	Fortress Insurance Brokers Limited
64	IRA/06/323/2019	Fortesa Insurance Brokers Limited
65	IRA/06/478/2019	Four M Insurance Brokers Limited
66	IRA/06/320/2019	Four Stars Insurance Brokers Limited
67	IRA/06/440/2019	Freddback Insurance Brokers Limited
68	IRA/06/010/2019	Gachicho Insurance Brokers Limited
69	IRA/06/110/2019	Gabra Insurance Brokers Limited
70	IRA/06/515/2019	Global Insurance Brokers Limited
71	IRA/06/513/2019	Great Savoy Kenya Insurance Brokers Limited
72	IRA/06/315/2019	Great Five Insurance Brokers Limited
73	IRA/06/488/2019	Gren Insurance Brokers Limited
74	IRA/06/010/2019	H. C. Thrusville Insurance Brokers Limited
75	IRA/06/020/2019	H. S. Jetley Insurance Brokers Limited
76	IRA/06/350/2019	Habari Insurance Brokers Limited
77	IRA/06/352/2019	Hakikar Insurance Brokers Limited
78	IRA/06/474/2019	Harmony Insurance Brokers Limited
79	IRA/06/518/2019	Harvest Bay Insurance Brokers Limited
80	IRA/06/510/2019	Harvest Insurance Brokers Limited
81	IRA/06/461/2019	High Insurance Brokers Limited
82	IRA/06/445/2019	IKK Insurance Brokers Limited
83	IRA/06/478/2019	Image Insurance Brokers Limited
84	IRA/06/548/2019	Imperial Insurance Brokers Limited
85	IRA/06/416/2019	Inaco Insurance Brokers Limited
86	IRA/06/510/2019	Inad (E.A.) Insurance Brokers Limited
87	IRA/06/516/2019	Integrity of Insurance Brokers Limited
88	IRA/06/521/2019	J W Sengco Insurance Brokers (K) Limited
89	IRA/06/516/2019	Johns & Insurance Brokers Limited
90	IRA/06/228/2019	Ken Insurance Brokers Limited
91	IRA/06/556/2019	Kenan Direct Insurance Brokers Limited
92	IRA/06/447/2019	Kenan Insurance Brokers Limited
93	IRA/06/522/2019	Kenya Insurance Brokers Limited
94	IRA/06/518/2019	Kenon Insurance Brokers Limited
95	IRA/06/430/2019	Kenon Insurance Brokers Limited
96	IRA/06/578/2019	Kenok Insurance Brokers Limited
97	IRA/06/506/2019	Khashal Insurance Brokers Limited
98	IRA/06/518/2019	Kookridge Insurance Brokers Limited
99	IRA/06/571/2019	Kowem Insurance Brokers Limited
100	IRA/06/314/2019	Lalit Solha Insurance Brokers Limited
101	IRA/06/554/2019	Laser Insurance Brokers Limited
102	IRA/06/121/2019	Lenax Insurance Brokers Limited
103	IRA/06/013/2019	Listason Group (Insurance Brokers) Limited
104	IRA/06/412/2019	Lifecare International Insurance Brokers Limited
105	IRA/06/310/2019	Loxag Insurance Brokers Limited
106	IRA/06/350/2019	M. A. Khan Insurance Brokers Limited
107	IRA/06/291/2019	Madly Insurance Brokers Limited
108	IRA/06/470/2019	Maj Insurance Brokers Limited
109	IRA/06/285/2019	Majest Insurance Brokers Limited
110	IRA/06/312/2019	Mic Global Risk (Insurance Brokers) Limited
111	IRA/06/402/2019	Micromax Insurance Brokers Limited
112	IRA/06/510/2019	Milika Insurance Brokers Limited
113	IRA/06/250/2019	Milk Insurance Brokers Limited
114	IRA/06/015/2019	Milken Insurance Brokers Limited
115	IRA/06/276/2019	Mirra Insurance Brokers Limited
116	IRA/06/518/2019	Mirra Insurance Brokers Limited
117	IRA/06/014/2019	Minnet Kenya Insurance Brokers Limited
118	IRA/06/375/2019	Minkal Insurance Brokers Limited

119	IRA/06/436/2019	Miran Insurance Brokers Limited
120	IRA/06/580/2019	Modern Insurance Brokers Limited
121	IRA/06/498/2019	Montana Insurance Brokers Limited
122	IRA/06/240/2019	Mungiki Insurance Brokers Limited
123	IRA/06/283/2019	Murken Insurance Brokers Limited
124	IRA/06/484/2019	Micronet Insurance Brokers Limited
125	IRA/06/582/2019	Mila Capital Insurance Brokers Limited
126	IRA/06/020/2019	Morana Insurance Brokers Limited
127	IRA/06/354/2019	Northridge Insurance Brokers Limited
128	IRA/06/517/2019	Nydetra Insurance Brokers Limited
129	IRA/06/505/2019	Octagon Insurance Brokers Limited
130	IRA/06/479/2019	Options Insurance Brokers Limited
131	IRA/06/077/2019	Options Insurance Brokers (K) Limited
132	IRA/06/286/2019	Package Insurance Brokers Limited
133	IRA/06/358/2019	Pakia Insurance Brokers Limited
134	IRA/06/286/2019	Pakia Insurance Brokers Limited
135	IRA/06/490/2019	Peace Of Mind Insurance Brokers Limited
136	IRA/06/053/2019	Palican Insurance Brokers (K) Limited
137	IRA/06/258/2019	Pakia Insurance Brokers Limited
138	IRA/06/481/2019	Plan & Place Insurance Brokers Limited
139	IRA/06/481/2019	Plan & Place Insurance Brokers Limited
140	IRA/06/481/2019	Plan & Place Insurance Brokers Limited
141	IRA/06/280/2019	Prima Manser Insurance Brokers Limited
142	IRA/06/106/2019	Prudax Insurance Brokers Limited
143	IRA/06/407/2019	Deal Africa Insurance Brokers Limited
144	IRA/06/582/2019	Rafca Insurance Brokers Limited
145	IRA/06/478/2019	Richlands Insurance Brokers Limited
146	IRA/06/478/2019	Risk Care Insurance Brokers Limited
147	IRA/06/055/2019	Risk Shield Insurance Brokers Limited
148	IRA/06/437/2019	Risk Solutions Insurance Brokers Limited
149	IRA/06/148/2019	Rubarta Insurance Brokers Limited
150	IRA/06/544/2019	Royal Associates Insurance Brokers Limited
151	IRA/06/281/2019	Safarinet Insurance Brokers Limited
152	IRA/06/171/2019	Sakaka Insurance Brokers Limited
153	IRA/06/350/2019	Saruni Insurance Brokers Limited
154	IRA/06/226/2019	Saxon Insurance Brokers Limited
155	IRA/06/565/2019	SC Insurance Brokers (K) Limited
156	IRA/06/471/2019	Scanner Insurance Brokers Limited
157	IRA/06/185/2019	Safegate Kenya Insurance Brokers Limited
158	IRA/06/191/2019	Select And Protect Insurance Brokers Limited
159	IRA/06/588/2019	Shahid Insurance Brokers Limited
160	IRA/06/283/2019	Shiva Insurance Brokers Limited
161	IRA/06/240/2019	Shiva Insurance Brokers Limited
162	IRA/06/500/2019	SIB Insurance Brokers Limited
163	IRA/06/483/2019	Seescape Insurance Brokers Limited
164	IRA/06/386/2019	Subtag Insurance Brokers Limited
165	IRA/06/204/2019	Sufin Insurance Brokers Limited
166	IRA/06/562/2019	Sufin Insurance Brokers Limited
167	IRA/06/405/2019	Sufin Insurance Brokers Limited
168	IRA/06/500/2019	Syria Insurance Brokers Limited
169	IRA/06/543/2019	Swayay Insurance Brokers Limited
170	IRA/06/521/2019	Sutton Insurance Brokers (K) Limited
171	IRA/06/305/2019	Taxa Insurance Brokers Limited
172	IRA/06/553/2019	Taxa Insurance Brokers Limited
173	IRA/06/205/2019	Tricore Insurance Brokers Limited
174	IRA/06/308/2019	Trustmark Insurance Brokers Limited
175	IRA/06/580/2019	Underwriting Africa Insurance Brokers Limited
176	IRA/06/088/2019	Unicon Insurance Brokers Limited
177	IRA/06/358/2019	Unipolar Insurance Brokers Limited
178	IRA/06/070/2019	Universal Insurance Brokers Limited
179	IRA/06/394/2019	Uremit Insurance Brokers Limited
180	IRA/06/498/2019	Uremit Insurance Brokers (K) Limited
181	IRA/06/152/2019	Victoria Insurance Brokers Limited
182	IRA/06/328/2019	Via Insurance Brokers Limited
183	IRA/06/498/2019	Waureni Insurance Brokers Limited
184	IRA/06/504/2019	Wharmer Insurance Brokers

185	IRA/06/254/2019	Yoga Insurance Brokers Limited
186	IRA/06/445/2019	Zama Risk & Insurance Brokers Limited
187	IRA/06/498/2019	Zebra Insurance Brokers Limited

IN PURSUANCE of Section 184 of the Insurance Act, the Commissioner of Insurance gives notice that the following are authorized to transact insurance business as Insurance Investigators for the year 2019.

No.	File Number	Name
1	IRA/10/1152/2019	Abita Insurance Investigators
2	IRA/10/0045/2019	Accident And General Investigations
3	IRA/10/004/2019	Access Investigating Loss Assessors
4	IRA/10/0070/2019	Actual Assessors
5	IRA/10/001/2019	Advanced Insurance Investigators
6	IRA/10/0018/2019	Arise Private Investigators
7	IRA/10/0081/2019	Arise Insurance Investigators
8	IRA/10/0081/2019	Blackbox Private Investigative Loss Assessors
9	IRA/10/0082/2019	Bright Loss Assessors (K)
10	IRA/10/0044/2019	Bull's Eye Insurance Investigators
11	IRA/10/0337/2019	Byconika Accident & General Investigations Agency
12	IRA/10/0019/2019	Carroll Investigators & Loss Assessors
13	IRA/10/0123/2019	Ceres Insurance Investigators
14	IRA/10/0131/2019	Century Insurance Investigators And Assessors
15	IRA/10/0034/2019	Coast Accident & General Investigation Ltd
16	IRA/10/0028/2019	Conela Loss Investigators
17	IRA/10/0081/2019	Continental Adjusters Kenya Limited
18	IRA/10/0058/2019	Counterside Limited
19	IRA/10/0183/2019	Credible World Limited
20	IRA/10/0051/2019	Crucio Insurance Investigators
21	IRA/10/004/2019	Damp Insurance Investigation Services
22	IRA/10/0149/2019	Defend And Detect (K)
23	IRA/10/0041/2019	Deta & Deta Limited
24	IRA/10/0139/2019	Dhan Loss Assessors And Private Investigators
25	IRA/10/0129/2019	Discreet Leads Loss Assessors Ltd
26	IRA/10/0120/2019	DocManda Security And Investigations Ltd
27	IRA/10/0074/2019	Eagle Loss Adjusters
28	IRA/10/0075/2019	Etha Logic Limited
29	IRA/10/0010/2019	Facilities Insurance Investigators
30	IRA/10/0081/2019	Facilities Loss Assessors
31	IRA/10/0081/2019	Facilities Loss Assessors
32	IRA/10/0182/2019	Facilities Loss Assessors
33	IRA/10/0182/2019	Facilities Loss Assessors
34	IRA/10/0141/2019	Facilities Loss Assessors
35	IRA/10/0181/2019	Founders Insurance Investigators
36	IRA/10/0145/2019	Frank & Mark Insurance Investigators
37	IRA/10/0021/2019	Freemart Insurance Investigators
38	IRA/10/0423/2019	Front Assessors
39	IRA/10/0084/2019	General Adjusters Kenya Limited
40	IRA/10/0019/2019	Grand Equilateral Insurance Investigators
41	IRA/10/0019/2019	Grand Equilateral Insurance Investigators Ltd
42	IRA/10/0146/2019	Guard & Associate Services Limited
43	IRA/10/0052/2019	Hita Services
44	IRA/10/0081/2019	Homebased Insurance Investigation Services
45	IRA/10/0081/2019	Index Assessment & Insurance Investigators Limited
46	IRA/10/0142/2019	Insight Yard Savoyors Limited
47	IRA/10/0053/2019	Insight Insurance Investigators
48	IRA/10/0142/2019	Insights Insurance International Investigators Ltd
49	IRA/10/0116/2019	Intertech Loss Assessors
50	IRA/10/0145/2019	Jahid Loss Assessors
51	IRA/10/0182/2019	Ken Insurance Investigators
52	IRA/10/0022/2019	Kenasa Insurance Loss Assessors
53	IRA/10/0054/2019	Kibera Loss Assessors (E.A.) Limited
54	IRA/10/0043/2019	Kivoro Investigators
55	IRA/10/0038/2019	Koka Investigation Services

Source: Insurance Regulatory Authority (2020)