

COMPETITIVE ADVANTAGE AND PERFORMANCE OF INSURANCE ORGANIZATIONS IN KENYA

Esther Waruiru

PhD Candidate, Kenyatta University, Kenya

Dr. Mary Namusonge

Senior Lecturer, Kenyatta University, Kenya

Dr. Jane Wanjira

Lecturer, Kenyatta University, Kenya

CITATION: Waruiru, E., Namusonge, M., & Wanjira, J. (2018). Competitive advantage and performance of Insurance Organizations in Kenya. *International Journal of Arts and Entrepreneurship*. Vol. 8 (6) pp 27 – 44.

ABSTRACT

The insurance industry in Kenya has been characterized by increased competition, technological changes, globalization as well as unfavorable market conditions most of which have negatively affected the performance of these firms immensely. The main motive of this study was to assess the influence of competitive advantage on the performance of insurance firms in Kenya. The study also sought to establish the moderating effect of the legal and regulatory framework on the performance of the insurance firms. The paper was anchored on the Resource based theory and open systems theory. The philosophical foundation of the study was positivism, and descriptive cross-sectional survey research design was adopted. The target population for the study comprised all the 50 insurance firms while a sample of 384 employees was selected using stratified random sampling. Primary data was collected using questionnaires which were pretested for reliability and validity to determine its suitability for use in the study. Quantitative data was analysed using descriptive and inferential statistics and results presented using charts and tables while content analysis was used for qualitative data.

Inferential statistics

, correlation, multiple regression analysis

were used establish the nature and magnitude of the relationships between the variables and to test the hypothesized relationships. The study findings indicated that competitive advantage was found to have a significant and positive impact on the performance of the insurance companies in Kenya. The study concluded that competitive advantage was a key influence in firms' performance while the insurance industry was mainly based on how much an organization remained consistence in competitive advantage.

Keywords: Competitive Advantage, legal and regulatory framework, Firm performance and Insurance companies.

[Full text PDF Format](#)