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Abstract

Purpose: The purpose of this study was to analyze the influence of strategy evaluation techniques on the performance of insurance companies in Kenya. The study was guided by four research objectives namely; to analyze the influence of 360 degree evaluation technique influence the performance of insurance companies in Kenya, To analyze influence of Key Factor Rating influence the performance of insurance firms in Kenya; To analyze effect of Balanced Score Card on the performance of insurance companies in Kenya and to analyze the influence of self-evaluation technique have a significant influence on performance of insurance companies in Kenya.

Methodology: A mixed methodology was used as both quantitative and qualitative data was used. The researcher used descriptive design as most of the research questions sought to find out how and what exists regarding elements or conditions in a circumstance. A questionnaire was used as a data collection instrument. The main study population was limited to Kenya Orient Insurance Limited.. Descriptive statistics was used to describe the data using as frequency tables, measures of central tendency and percentages. A target population of 154 employees was therefore used. In order to find out answers to the research questions, a questionnaire was applied as the data collection instrument. Analysis was done by aid SPSS (version 22.0). Data analysis presentation was in form of tables.

Findings: Correlation coefficient (*r*) was used in the study and the results showed that there was a positive correlation between the independent variables and performance of insurance company. The study also adopted regression analysis the results of analysis showed an adjusted R square of 0.684 hence proving that the four variables used in the study accounted to 68.4% of performance of insurance companies. The findings of this study provides a policy framework to be adopted by KOIL and other related organization on how to structure their strategy evaluation techniques to maximize their business potentials Insurance companies can adopt the findings in this study so as to make use of the strategy evaluation techniques that have a significant positive influence of the performance of insurance companies.

Unique Contribution to Theory, Practice and Policy: The study recommends for consideration of strategy evaluation techniques that greatly impact the organizational performance, depending on the organizational internal and external circumstances as explained in contingency theory.

Key words: *Analysis of strategy, evaluation techniques, performance of insurance*

1.0 INTRODUCTION

Key factor rating is a method that lets decision makers incorporate qualitative and quantitative data while giving a normal basis of comparison dependent on factor rating by setting up a value for each choice that envelope all elements (Manee-ngam, Saisirirat & Suwankan, 2017). Factor rating technique assesses the organizational factors and vis a vis the performance of the organization. This makes the organization take any corrective action in the event a factor is negatively affecting the organizational performance thus making the organization keep on surviving. It is important to maximize on the organizational strengths and minimize the organizational weaknesses in order for the organization to gain a competitive advantage. This involves evaluating the strategies too that would affect the performance of the organization.

Factor rating process comprises of six steps namely: Identify the scarce resource, Calculating the contribution per unit for each product, Calculating the contribution per unit of the scarce resource for each product. Ranking the products in order of the contribution per unit of the scarce resource, Allocating resources using this ranking and answer the question. Information with respect to the key Factors for the most part collected after an arrangement of gatherings, talks and overview. Answers in each utilitarian range are being closely inspected with a see to rate the key components. The relative effect of each calculate (favourable or unfavourable) on a specific result is additionally inspected utilizing numerical mode. Any organization needs to consider various factors within it which it can capitalize in order to stay competitive.

One of the most commonly applicable factor rating technique in insurance industry is the facility location rating technique. It involves identifying the important location factors e.g employee and customer preferences, like, nearness to a showroom, for the case of an insurance company which sells motor insurance. The next step would be rating each factor according to its relevance where higher ratings indicate more relevant factor. The third step would be assign each location a factor depending of the merits and demerits of the location. The next step would be to calculate the rating for each location by multiplying factor assigned to each location with a basic factor considered. Finally the last step would be to sum up the product calculated for each of the factors and select the best location having the biggest score.it is important to note that the location of the organization is a key factor that may affect the performance of the organization. This makes key factor rating important in decision making strategy re-evaluation especially when an organization is undergoing growth.

Strategy evaluation techniques are methods or ways through which a strategy can be assessed in terms of performance against the intended objectives. Strydom (2012) defines strategy evaluation as a precise examination to discover the purposes for disappointments and accomplishment of a specific methodology in terms of objectives, performance standard or any other performance pointer.

Strategy evaluation techniques are therefore the methods used to determine the suitability of a chosen strategy in realizing the objective of an organization so that corrective measures can be taken when necessary. The process involves fixing a performance benchmark, gauging the performance, analyzing variance and making remedial move. Over the years, a big amount of thinkers have looked in to things associated with business strategy systems on diverse perspectives though to some degree, the variance in angles can be understood from the areas on which the strategy arguments are based (Sarbah & Nyarko, 2014).. This calls for mechanisms and ways through which the organization is able to know what is has done to achieve the expected or set goals and make corrective actions if not in the right direction. This is where evaluation techniques come in. Without evaluation, it would be difficult for most organization to know whether they are achieving the set goals and in that case strategy formulation would be meaningless. Other evaluation techniques that have had significant influence on the performance of insurance companies and whose concepts are explained below include 360 degree evaluation technique, Balanced Score Card and Self-evaluation.

The 360-degree evaluation is an employee or organizational performance assessment technique that taps the collective knowledge of those working closely to the employer or organization for example, a supervisor, external and internal clients, colleagues and Managers. Hosain (2016), carried out a study to analyze 360 degree feedback as a technique of performance appraisal and see whether it really works. The main aim of this study was to discover whether 360 degree evaluation is really an effective evaluation technique and whether it really works. Using secondary data obtained through previous researches, the study applied qualitative technique in analyzing data. It was found in the study that 360 degree feedback was an effective technique for evaluating performance of employees. The study further recommended that the 360 degree feedback be integrated with other evaluation techniques to make it more useful.

Balance score card is an authoritative system that gives a floor for organization to illuminate their vision and key plans at that point convert them into actions lastly give adequate feedback about both inner procedures and outside business results (Lesákováa, & Dubcováb, 2016). Kairu, Wafula, Okaka & Odera (2013), also conducted a study on the effects of BSC on performance of firms in the service sector. The study used a sample of 200 service providing firms and applied descriptive statistics on the data. The study found out that when both non-financial and financial measures are incorporated in the system, it leads to a superior result. The study reasoned that BSC offers helpful performance estimations that apply to all associations to enable them manage their overall performance.

Self-Evaluation is the process of evaluating one's own performance. It often involves self-assessment in a way to understand where one exactly stands. Self-Evaluation as a strategy evaluation technique can therefore be applied in organization and insurance companies by the stakeholders to assess and identify exactly where they stand in regards to their selected strategies and strategy implementation (Hewitt, 2015)

Wiyono (2018) conducted a study on the effect of self-evaluation on the principals' transformational leadership, teachers' work motivation, teamwork effectiveness, and school improvement. The aim of the study was to test find out whether self-evaluation technique enhances teamwork effectiveness and improvement among schools and school leadership. Using as sample of 40 principals and 240 teachers the study used a quota random sampling to obtain the sample and used questionnaires to gather data. Descriptive, univariate and multivariate analyses were also applied on the data. The study found out that there is a stronger effect when self -evaluation has feedback that when it does not have feedback.

1.1 Statement of the Problem

The practice of Key factor rating Techniques is expected to lead to improved performance in insurance companies. However, the reality is that the practice of Key factor rating Techniques is poor leading to a decline in gross written premium and combined ratio. According to the January – December 2017 IRA industry report, gross premium written by the last quarter of 2017 in the Kenyan insurance industry stood at 207.68 Billion representing a slow growth of 6.6% compared to annual growth of 12.3% in a similar period in 2016. (IRA industry report, 2017). The combined ratio of Kenyan insurance industry in 2015 was 110.6% as compared to that of morocco in the same year which was 78.0% (Cyton FY2015 insurance sector report). In order to survive strategists in any organization need to fully utilize key factors to attain a competitive advantage.

Several studies have been done on this field though no study that touches on Kenya Orient Insurance Limited. Chepkwony (2016) conducted a study on the impact of methodology execution, assessment and control on association execution. She used a sample of 43 in her study and applied mean and standard deviation on the data. It was found that strategy implementation and evaluation had a substantial influence on organizational performance. However the study failed to analyze strategy evaluation techniques like Key factor rating Techniques which is very important in assessing the effectiveness of a chosen strategy.

Nevertheless, Kenyan insurance companies have experienced poor performance in the Gross written premium and combined ratio which we attribute to inappropriate or inefficient strategy evaluation techniques used by the affected firms in evaluating the chosen strategies. This eventually ends in bringing out wrong conclusion about the selected strategies and organizations' performance. It is out of this that the researcher sought to analyze the influence of Key factor rating technique on insurance companies' performance in Kenya.

1.3 Objective of the Study

To establish influence of Factor Rating technique on performance of insurance companies in Kenya

1.4 Research Questions

To what extent does Factor Rating technique influence performance of insurance companies in Kenya?

2.0 THEORETICAL AND LITERATURE REVIEW

2.1 Theoretical Review

The theoretical review is meant to theoretical foundation pertinent to the research topic under the study. Theories relevant to the study topic are discussed here.

2.1.1 Contingency Theory

Suggested by Fred Edward Fiedlerin his 1964, this theory explains that there always exist some factors which can affect the direct positive or negative interdependence of both independent and dependent variables in an organizational behavior. It centers on the idea Restricted was picked as a case in light of the fact that organizations. Organizations are not supposed to be managed by one-size-fit-all style. Instead they need to work out distinctive managerial strategies depending on the specific situations they are facing. This theory confirmed that there is no closest to perfect approach to organize a firm, lead it, or make a decision, but the best course of action is depended on the organizational internal and external circumstances. (Jofre, 2011). The assumption underlying contingency theory is that no single type of organizational structure is equally applicable to all organizations. Some of the limitations of this theory are that there exists no particular solution to a problem and thus managers keep on constantly thinking of different ways to arrive at the right choice. This may require time and money thus rendering it costly. The theory also does not provide theoretical foundation through which management principles can be based. The theory has been criticized because it is impossible for managers to determine all the factors relevant to the decision making situation. It has also been criticized because it has failed to explain why certain leadership styles are more effective in some situations than others and has failed to explain adequately what organizations should do when there is a mismatch between the leader and the situation in the workplace.

Several scholars have used contingeny theory in their stud work. Owich (2017) used contingency theory in his theoretical study to emphasize that Contingency was necessary in organizations since the hardly predictable environmental factors have their own result on performance evaluation, budgeting, fund management and organizational structure, and further, environmental aggression from thorough competition underscores the importance of formal control.

This theory can be important in the selecting of the best strategy evaluation techniques applicable to a specific situation to get the accurate results. For example, performing a SWOT analysis may not be the best for all strategic evaluation stages, but at times it may be good for an organization to consider the evaluation technique before adopting it.

2.2 Empirical Review

Key factor rating is an all-inclusive method taking a holistic view of the organizational performance. Key factor rating is a method used to evaluate several options based on various selected factors. This method considers key factors in several areas and then evaluates performance and mostly entails rating of different factors through different questions. The method enables decision makers to incorporate subjective data and quantitative data while giving a judicious premise of examination dependent on factor rating by building up an incentive for every alternative that includes all elements. In key factor rating, the attribute of options is assigned numeric factors based on available information and then chooses the option with greatest composite value.

Nyabuto (2017) conducted a study on factors influencing hierarchical execution in the assembling area using a case of Bidco Africa. The study examined the effects of recruitment on hierarchical performance, to determine effects of performance appraisal of workers on organizational performance, to examine the magnitude to which training adds to organizational performance and to find out the influence of talent management on organizational execution. Using a study population of 400 and a sample of 100 staff members, the study applied descriptive research design to describe the data and used quantitative methods like tables and qualitative methods to analyze the data. Findings from this study showed that the adopted recruitment and selection procedure improved performance and that Open and unbiased performance appraisal improves organizational and employee performance. The investigation at that point prescribed that Performance evaluation ought to be directed as often as possible. The organization should support training among employees and vocation movement and guarantee that training chances to learn and develop in the company. Executive officials ought to capitalize huge portion of energy dedicated to overseeing ability the management issues in the organization.

Al-Tit (2017), did a study to analyze the factors influencing the authoritative execution of assembling firms. The study aimed at investigating the impact of organizational culture and supply chain management on organizational performance. A sample of 93 manufacturing firms in Jordan was used and the study applied mean and standard deviation on the data. The study further applied correlation analysis and hypotheses testing to test the relationships between the variables. The study found out that both organizational culture and supply chain management affects organizational performance. The study further established that the impact of organizational culture was greater than that of supply chain management and concluded that cultural assumptions, values and beliefs also affect organizational culture and subsequent organizational performance. The investigation at that point prescribed that both researchers and managers should offer significance to organizational beliefs, qualities and presumptions alongside different factors and other key factor ratings.

Odulnami (2013) conducted a study to examined the effects of factor analysis on the questionnaire of strategic marketing mix on organizational objectives of food and beverage industry. The study aimed at testing the effect of factor analysis on the questionnaire, and to show if factor analysis is appropriate and desired if a desired result is to be achieved.. The data were analyzed using descriptive (percentages) and inferential statistics. Questionnaires results were subjected to factor analysis. The study found out that the correlation matrix was all positive and above 0.5.The Kaiser-Mayer Olkin had a value of 0.882 which showed the greatness of the data. After extraction, the principal component analysis showed high percentages of the variance accounted for. Eight factors were extracted which explain 72.6% of the variability. The correlation matrix showed that factor analysis was adequate on the questionnaire. The Kaiser-Mayer Olkin of .0882 and Batlette test of 0.00 showed that factor analysis is appropriate. The study concluded that these show that factor rating analysis had effect on the questionnaire of strategic marketing mix on organizational objectives of food and beverage industry.

Bajpai, & Singh (2019) conducted a study to explore a factor rating methodology for analyzing the competencies affecting entrepreneurs of Small and Medium Enterprises (SMEs) The study aimed at developing required competencies to enhance skills of entrepreneurs of this era. Using a sample of 200 entrepreneurs from small and medium scale industries of Uttarakh and Uttar Pradesh exploratory, the data collected was entered into SPSS for descriptive and exploratory factor analysis (EFA) for validating the scale which was used in the study. The study found out that if individual perceive that they have the capabilities or competencies for entrepreneurship, they are more likely to believe the set accordingly, the entrepreneur competency framework could be used to enhance competencies and to help entrepreneurs and strategists or even organization to understand their strengths and weaknesses in entrepreneurial ventures.

2.3 Conceptual Framework

The framework described the correlation that exists among the variables the study is considering. The framework answers the question how does the researcher expect a relationship between all variables (dependent and independent) to exist.

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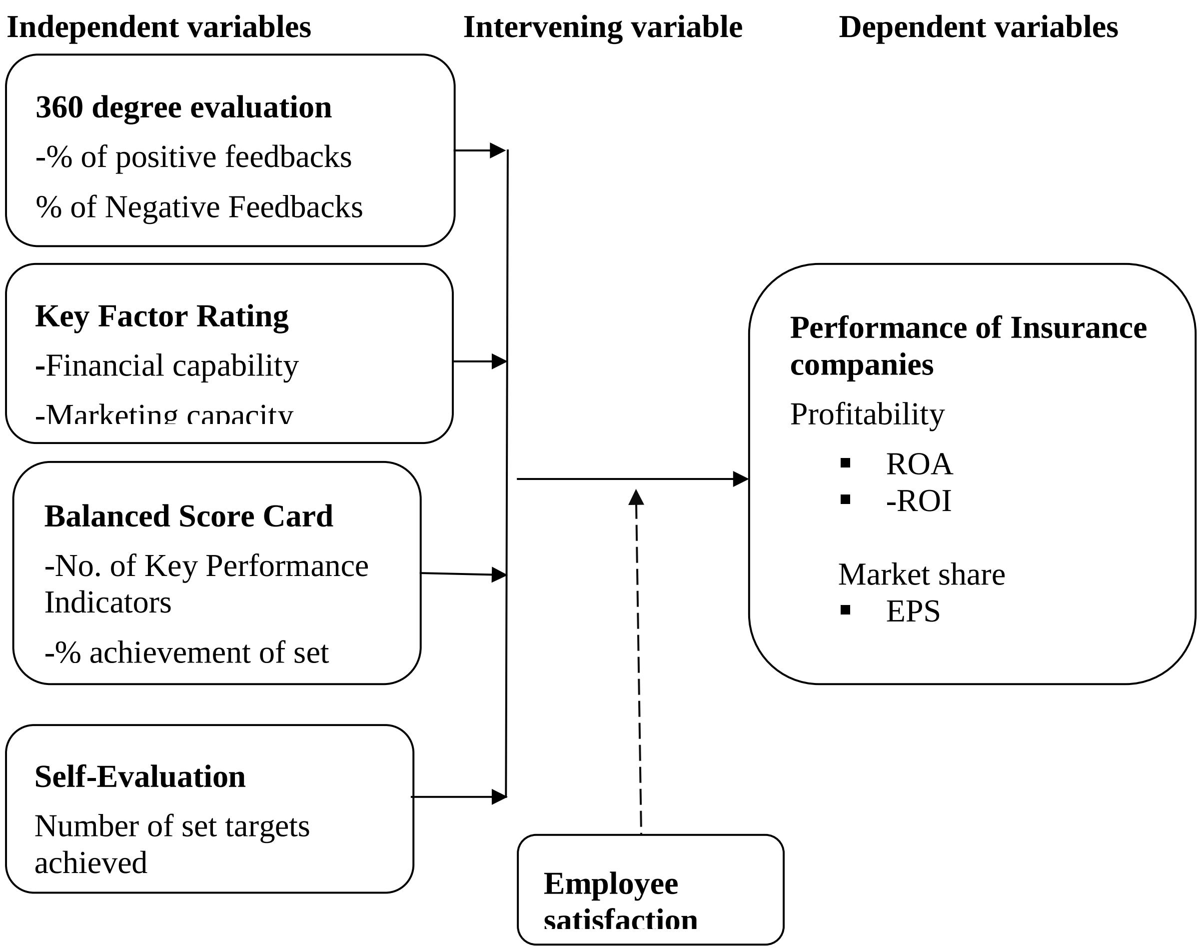

Figure 1: Conceptual Framework

3.0 METHODOLOGY

This part characterizes the examination strategy utilized in this investigation and furthermore talks about the exploration plan as for the structure picked. The target population of study, sample and sampling techniques and information gathering approaches utilized in the study are likewise talked about

3.1 Research Methodology

In this study, the researcher used mixed methodology as both quantitative and qualitative data was used.

3.2 Research Design

Research design is a description of the way data is collected and the instruments of data collection to be used. It also describes how the data collection instruments will be in collecting the data and eventually explains the methods of data collection and analyses. The research was held across all the branches of Kenya Orient Insurance Company Limited in Kenya. The logistics were not an issue of concern most data was collected using an electronic questionnaire. The collection of information was done across all the branches. The researcher used descriptive design. This was on the grounds that descriptive research is used to get data in regards to the current status of a phenomenon and to portray "what exists" regarding elements or conditions in a circumstance. It gave answers to the questions of who, what, when, where, and how certain marvel was related with a specific research issue however couldn't decisively find out responses to why. Data on both the independent and dependent variables were obtained using questionnaire

3.3 Target Population

The study population was made up of employees of Kenya Orient Insurance Limited across all the branches in Kenya who are in the management level and supervisors and service associates specifically 23 Managers, 23 Supervisors, and 108 Service Associates namely; 30 Underwriting Associates, 5 Customer Service Associates, 10 Claims Associates, 10 Account Associates, 24 Sales Associates and 29 Relationship Associates. These are 154 in number.

Table 1: Sampling Frame

S/No	Portfolio	Male	female	Target Population	% of the whole population
1	Managers	13	10	23	15
2	Supervisors	10	13	23	15
3	Service Associates	90	18	108	70
Total		**113**	**41**	**154**	**100**

Source: Kenya Orient Insurance Limited– Human resource department (2019).

3.4 Sampling Procedure and Technique

In order for the researcher to recruit respondents for the study, the researcher used both Census sampling technique.. All members in the population were drawn to the sample using Census sampling. This ensured that each member in the population got selected in the study. This was important as it eliminated errors associated with sampling.

3.5 Sampling Population

The researcher conducted a census study since the population was small and defined and it was necessary to reach each member in the population so as to get conclusive and unbiased feedback .The sample size of 154 was ideal as it tends to bring the sample distribution to a normal population distribution in accordance to the central limit theorem, which states examining distribution of the mean of any autonomous, arbitrary variable will be typical or about ordinary, if the example measure is sufficiently substantial

3.6 Data Analysis and Presentation Techniques and Procedures

When analyzing the relationship between any two variables, Pearson's product-moment correlation co-efficient (r) was used so as to find out the association between dependent and, independent variables while the coefficient of determination (r^2) was used to measure the effect of the independent variables on the dependent variable. Sampling error and measurements errors were given. To modify for perplexing, every single autonomous variable that was extensively connected with the reliant variable at bi-variate examination was viewed as together utilizing numerous straight relapse. All tests were two-sided. A value of $p < .05$ was considered statistically significant.

SPSS version 21.0 was used as a statistical tool to aid on data analyzing. When using SPSS, the data was coded first then put in the SPSS software for analysis. For situations where the respondents' answers were vague or fragmented, the correspondents were gotten back to for clarity before encoding the information. Bar-charts and pie-charts were also be used to demonstrate data patterns. The researcher used SPSS because it has the capability of analyzing both quantitative and qualitative data in a wide scope as well as large data. Tables, graphs and charts were used to present the data collected.

4.0 FINDINGS

4.1 Key Factor Rating Analysis and performance of Insurance Companies

This section addresses the second objective which sought to analyze influence of Key Factor Rating technique on performance of insurance companies in Kenya. The respondents were asked to indicate the degree to which they agreed or disagreed to statements regarding Key factor rating analysis in Kenya Orient Insurance limited Kenya. A five point (1-5) like scale was used to rate the responses where 1 is strongly disagrees, 2 is disagree, 3 is neutral, 4 is agree and 5 is strongly agree. The results are presented in Table 2.

Table 2: Key Factor Rating Analysis and Performance of Insurance Companies

Statements	Mean	Std. Deviation
Key factor rating analysis at my work place enhances financial capability.	4.07	0.731
Key factor rating analysis at my work place aims to boost operational and marketing capabilities of the firm thus organization as a whole.	4.14	0.777
Key factor rating enhances profitability and shareholders' value by ensuring employees work towards attaining positive results in regards to the key factors.	3.85	1.031
Key factor rating analysis has enhanced demonstrated commitment to evaluation by senior management and leadership.	4.02	0.854
Key factor rating analysis helps me determine the nature of adjustments needed on my performance to attain overall organizational performance.	4.20	0.893
Key factor rating analysis results allow me relate my work to the organizational objectives and be inspired to do more hence enhancing customer retention thus enhancing profitability.	4.10	0.894

The findings in Table 2 shows that the respondents agreed that the key factor rating analysis helps them determine the nature of adjustments needed on their performance to attain overall organizational performance (mean score = 4.20). The respondents also agreed that the key factor rating analysis at their work place aimed to boost operational and marketing capabilities of the firm thus organization as a whole (mean score = 4.14); and analysis results allowed them relate their work to the organizational objectives and be inspired to do more hence enhancing customer retention thus enhancing profitability (mean score = 4.10). Moreover, the respondents agreed that key factor rating analysis at the work place enhanced financial capability (mean score = 4.07); and it also enhanced demonstrated commitment to evaluation by senior management and leadership (mean score = 4.02) The results concur with Al-Tit (2017), that Key factor rating enhances profitability and shareholders' value by ensuring employees work towards attaining positive results in regards to the key factors. and that the impact of organizational culture was greater than that of supply chain management and concluded that cultural assumptions, values and beliefs also affect organizational culture and subsequent organizational performance. Al-Tit (2017), prescribed that both researchers

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and managers should offer significance to organizational beliefs, qualities and presumptions alongside different factors and other key factor ratings.

4.2 Inferential Statistics

In this section, the Pearson correlation coefficient analysis and regression analysis were conducted. The Pearson correlation coefficient was to establish the strength and form of relationship between the variables while regression analysis was to establish the form of relationship between independent variables and the dependent variable.

4.2.1 Pearson Correlation Coefficient Analysis

Pearson product-moment correlation coefficient was led to decide the relationship between the variables - 360 degree evaluation, Factor Rating technique, Balanced Score Card and self-evaluation technique (independent variables) and performance of Kenya Orient Insurance limited Kenya (dependent variable). The results are presented in Table 3.

Table 3: Pearson Correlation Coefficient Analysis

		Performance	360 degree	Balanced Score Card	Factor Rating	self-evaluation
360 degree	Pearson Correlation	0.814**	1			
	Sig. (2-tailed)	0.000				
Balanced Score Card	Pearson Correlation	0.810**	.904**	1		
	Sig. (2-tailed)	0.000	.000			
Factor Rating	Pearson Correlation	0.617**	.658**	.762**	1	
	Sig. (2-tailed)	0.000	.000	.000		
self-evaluation	Pearson Correlation	0.455**	.485**	.599**	.529**	1
	Sig. (2-tailed)	0.000	.000	.000	.000	
	N	142	142	142	142	142

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

The study findings show that there is a strong, positive and significant relationship between 360 degree evaluation and performance of Kenya Orient Insurance limited Kenya as shown by $r = 0.814$ and $p = 0.001$. There is also a strong relationship between Balanced Score Card and performance of Kenya Orient Insurance limited Kenya ($r = 0.810$, $p = 0.001$).

The results further show that there is moderate, positive relationship between Factor Rating technique and performance of Kenya Orient Insurance limited ($r = 0.617$, $p = 0.001$). There is also a moderate and positive relationship between self-evaluation technique and performance of Kenya Orient Insurance limited as shown by $r = 0.455$, $p= 0.001$.

4.2.2 Regression Analysis

A linear multiple regression model was applied to determine the relationship between the variables in the study. The study sought to establish the form of relationship between performance of Kenya Orient Insurance limited and the predictors: 360 degree evaluation, factor rating technique, Balanced Score Card and self-evaluation technique.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	0.832[a]	0.693	0.684	0.43832

a. Predictors: (Constant), 360 degree evaluation, Factor Rating technique, Balanced Score Card, self-evaluation technique

The regression results in Table 4 show an R value of 0.832 that concludes that there is a big bond between the variables. The R-Squared illustrate in a better way how the model concludes the observation; is a statistical measure of how close the information is to the fitted regression line. The value of adjusted R square (coefficient of determination) is 0.684. This concluded that the 4 predictors (360 degree evaluation, factor rating technique, Balanced Score Card, and self-evaluation technique) explained 68.4% of performance of Kenya Orient Insurance limited. The remaining percentage can be explained by other variables/predictors not included in the study.

Table 5: ANOVAb

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	59.284	4	14.821	77.143	0.000[a]
Residual	26.321	137	0.192		
Total	85.605	141			

a. Predictors: (Constant), 360 degree evaluation, Factor Rating technique, Balanced Score Card, self-evaluation technique

b. Dependent Variable: Performance

Analysis of Variance (ANOVA) has got calculations that give data about the degrees to which variability inside a relapse model and form a way for tests of importance (Sawyer, 2010). The ANOVA results show an F- value (F = 77.143) which is significant at p-value=0.000 (p<0.001) were established. This shows that the regression model has a 0.001 (0.1%) probability of giving a wrong prediction. This therefore means that the regression model has a confidence level of over 95% hence high reliability of the results.

Table 6: Regression Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.067	0.248		0.272	0.786
360 degree	0.510	0.126	0.451	4.037	0.000
Balanced Score Card	0.465	0.097	0.372	4.794	0.000
Factor Rating technique	0.410	0.058	0.576	7.085	0.000
Self-evaluation technique	0.399	0.143	0.379	2.786	0.006

a. Dependent Variable: Performance

The regression co-efficient results show that there is a positive and statistically significant relationship between 360 degree evaluation and performance of Kenya Orient Insurance limited as shown by β = 0.510, p=0.001<0.05. The results further show a positive and significant relationship between performance of Kenya Orient Insurance limited and Balanced Score Card (β = 0.465, p=0.001<0.05); Factor Rating technique (β = 0.410, p = 0.001<0.05); as well as with self-evaluation technique (β = 0.399, p=0.001<0.05). This implies that all the four variables (360 degree evaluation, factor rating technique, Balanced Score Card, and self-evaluation technique) have a positive influence on performance of Kenya Orient Insurance limited.

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

The study sought to analyze influence of Key Factor Rating technique on performance of insurance companies in Kenya. It was found out that the key factor rating analysis helped Kenya Orient Insurance Limited Kenya to determine the nature of adjustments needed on the staff performance to attain overall organizational performance. The respondents agreed that the key factor rating analysis at their work place aimed to boost operational and marketing capabilities of the firm thus organization as a whole; and analysis results allowed them relate their work to the organizational objectives and be inspired to do more hence enhancing customer retention thus enhancing profitability. The study also found out that key factor rating analysis at the work place enhanced financial capability; and it also enhanced demonstrated commitment to evaluation by senior management and leadership. The correlation and regression results show that there is a positive and significant relationship between Key Factor Rating technique and performance of Kenya Orient Insurance limited.

Conclusion

The study concludes that Factor rating technique has a positive influence on performance of insurance companies in Kenya. key factor rating analysis helps them determine the nature of adjustments needed on their performance to attain overall organizational performance (mean score = 4.20). The respondents also agreed that the key factor rating analysis at their work place aimed to boost operational and marketing capabilities of the firm thus organization as a whole (mean score = 4.14); and analysis results allowed them relate their work to the organizational objectives and be inspired to do more hence enhancing customer retention thus enhancing profitability (mean score = 4.10). Moreover, the respondents agreed that key factor rating analysis at the work place enhanced financial capability (mean score = 4.07); and it also enhanced demonstrated commitment to evaluation by senior management and leadership (mean score = 4.02).

Recommendations

The study concludes that strategy evaluation should begin with an examination of the internal forces that will influence the company's ability to follow the strategic plan. The evaluation should consider the value of company resources such as financial assets, proprietary information and the people who are available to guide the company to meet its goals. This evaluation will help the management understand how these assets can be developed to expand the company's capabilities. All of these internal forces combined are what will help set the insurance companies apart from their competitors.

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