



INFLUENCE OF RESOURCE BASED MANAGEMENT ON STRATEGIC RENEWAL OF INSURANCE FIRMS IN KENYA

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ABSTRACT

The objective of the study was to determine the effect of resource based management on the strategic renewal of insurance firms in Kenya. Two dimensions of strategic renewal were studied: the insurance firms' deliberate plans to imitate strategic renewal and strategic renewal by introduction of new products and product rebranding. The target population was operative managers in 53 insurance firms. The sample size was 5 operative managers in 47 insurance firms resulting to a sample size of 235 respondents. The study used simple random sampling in the determination of respondents and used the Cochran's formula to determine sample size. The Likert scale questionnaire was used to collect data which was analyzed using descriptive and inferential statistics which were spearman's correlation and linear regression. Results of ANOVA, goodness of fit were used to make findings and conclusions about the study. Kuder-Richardson (KR_{21}) and Cronbach's alpha was used to measure reliability of the research instrument. The results of regression showed that resource based management had influence on strategic renewal of insurance firms in Kenya. However different facets of strategic renewal are affected differently which may reflect a divergent view on how the model should be employed. A significant influence was reported for impact of resource based management on deliberate plans to initiate renewal and a not statistically significant relationship was reported for impact of resource based management on implementation of strategic renewal by introduction of new products and product rebranding. The study therefore recommended that insurance firms' managers should endeavour to create more sustainable VRIO attributes for their firms. They should also consider renewing their resources alongside using resources for renewal. The study was grounded on the dynamic capabilities theory which explains the link between a firm's inward resource capabilities its ability to work with those capabilities to initiate strategic renewal.

Key words: Resource Based Management; Resource valuability; Resource rarity; Resource substitutability; Resource dynamism; Strategic Renewal

INTRODUCTION

The thrust of this research was to study strategic renewal in insurance firms in Kenya and how it is influenced by resource based management model. Strategic renewal may be studied from different perspectives which maybe cognitive or non-cognitive behaviour (Helfat et.al. 2007; Brundin & Melin, 2006). This study focused on the non-cognitive attributes of strategic renewal that is, going beyond the underlying assumptions that guide individual persons in their thoughts, choices and behaviour to a more non-cognitive approach that looks at the firm as a whole.

Today's organizations face increasingly dynamic environments, characterized by substantial and often unpredictable technological, political and economic change. Strategic renewal research analyses how these organizations alter their path dependence by transforming their strategic intent and capabilities (Albert et al. 2015). Since most organizations need to transform themselves at one time or another, strategic renewal is a key consideration in understanding their long-term survival and prosperity. Strategic renewal is a prominent theme in various organization and management research domains. Scholars have explored the managerial cognitions, capabilities and learning processes underlying firms' strategic renewal efforts, the importance of political, technological and competitive changes in the firm's environment for strategic renewal, as well as the organizational, unit-level and team-level structures and processes that enable firms to embrace and manage strategic renewal (Tippmann et al. 2014).

According to a study by Earnest and Young that was also supported by the insurance Regulatory Authority in Kenya, insurance industry will remain competitive if the regulatory environment effectively responds to the disruptive and changing market needs and supervisory models in the world (Earnest & Young, 2014; IRA, 2013).

Grant established the survival and success of an insurance firm occurs when the firm creates and maintains a match between its strategy and the environment and also between its internal capability and its strategy (Grant, 2002). However according to a report by business monitor international, globally insurance firms continue to face extreme challenges in the competitive environment because the changes in the industry are used more for marketing innovation rather than to make internal adjustments for sustainable competitive advantage (Business Monitor International, 2012).

According to various researchers, the need for strategic renewal has become evident because firms need to keep their strategies up-to-date which provides for a functional strategic fit between a firm's internal capabilities and the macro environment (Huff, Huff & Thomas, 1992; Zand, 2009; Sammut, Bonnici & McGee, 2014).

Problem Statement

Strategic inquiries have investigated to some extent the process of strategic renewal, which has been generally recognized as critical for the sustained success of organizations. Despite these studies exploring strategic renewal and its necessity in today's competitive business setting, these publications have not studied strategic renewal in insurance firms in a growing economy such as Kenya. Hence, this study identified a gap in the literature reviewed on strategic renewal, as well as application of resource based management in that specific context. This informed the motivation to explore how insurance firms can drive and generate strategic renewal using resource based management. Generally, studies that have been done include a study on the challenges in the regulation of the insurance industry in Kenya (Koima, 2003); factors that influence insurance firms regional growth strategy (Kamanda, 2006); The studies reviewed also demonstrated a study of

strategic renewal in other fields, industries and firms SMEs (Claudine Keanery & Michael H. Morris, 2015), knowledge based service industry (Matthews & Wrigley 2015) other than insurance firms thus presenting an avenue for new insights. Other research gaps emerged from the research design where case studies had been employed (Carvalho, Filho & Almeida, 2017; Balkefors, Björklund & Carlquist, 2015; Linnea, Nyberg & Sjodin, 2015; Maijanen & Jantunen, 2014; Worch, Kabinga, Eberhard & Truffer, 2012) thus limiting the scope of contribution of varied insights, which this study addresses by adopting a longitudinal survey. These literature shows that most studies on insurance firms have not been on firm renewal. This study therefore sought to fill the research gap by investigating and answering the broad research question; what is the influence of resource based management in strategic renewal of insurance firms in Kenya?

Objective of the Study

The objective of the study was to establish the influence of resource based management on strategical renewal of insurance firms in Kenya.

Study Hypotheses

H₀1: Resource based management has no significant influence on strategical renewal of insurance firms in Kenya.

THEORETICAL FRAMEWORK

The Dynamic Capabilities Theory

The dynamic capabilities view argues that a firm's success is basically driven by its aptitude to adapt to a changing environment to secure value creating potential and, thus achieve a competitive

advantage. Competitive dynamics and processes compel firms to pursue new, unique competitive strategies. The design and execution of these strategies promotes the creation and innovative use of resources and capabilities. In the face of discontinuity, division, evolution and decline of markets, a significant determinant of a firm's success is strategic agility (Junni, Sarala, Tarba, & Weber, 2015; Weber and Tarba, 2014; Doz and Kosonen, 2010) which is the capability to continue being flexible, to adjust to new conditions, and effect innovative ideas that generate value in firms and within business ecosystems (Davenport et.al., 2006). Different theorists have presented varying descriptions of dynamic capabilities.

Conceptual Framework

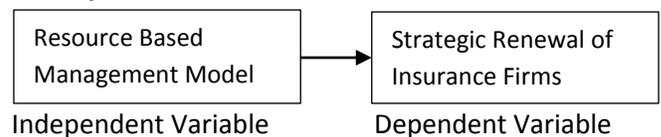


Figure: 1: Conceptual model

METHODOLOGY

This study employed the descriptive survey research design by administering Likert scale questionnaires with close ended questions (Salaria, 2012). The target and study population for this research consisted of insurance firms licensed by Insurance Regulatory Authority (Kenya) to operate in Kenya. There were a total of fifty three insurance firms registered to operate in Kenya (IRA, 2018). The sampling technique used in this research was simple random sampling. Primary data was collected using a questionnaire while secondary data was obtained from published materials about insurance industry in Kenya.

Table 1: Measurement of Variables

<i>Dependent variable</i>		
<i>Variable</i>	<i>Operationalization of research variables</i>	<i>Measure</i>
<i>Strategic renewal</i>	<ul style="list-style-type: none"> • <i>Deliberate plans to initiate strategic renewal</i> • <i>New products and product rebranding</i> 	<i>Mixture of qualitative and quantitative measurements</i>
<i>Independent variables</i>		
<i>Resource Based Management Model</i>	<ul style="list-style-type: none"> • <i>Resource Valuability</i> • <i>Resource Rarity</i> • <i>Resource Imitability</i> • <i>Resource Dynamism</i> 	<i>5-Point Likert Scale</i>

Table 2: Hypotheses and Analytical Models

<i>Hypothesis</i>		<i>Analytical Models</i>
H2.	<p><i>H₀ There is significant influence of resource based management model on strategic renewal of insurance firms in Kenya.</i></p>	<p>To use a linear regression equation that is; $y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$</p> <p>strategic renewal (SR) is a function of resource valuability (RV) + resource rarity (RR) + resource imitability (RI) + resource dynamism (RD) thus:</p> <p>$SR = \beta_0(\text{constant}) + \beta_1(\text{resource valuability}) + \beta_2(\text{resource rarity}) + \beta_3(\text{resource imitability}) + \beta_4(\text{resource dynamism})$</p> <p>Success (y) therefore is due to:</p> <p>X_1 - resource valuability X_2 - resource rarity X_3 - resource imitability X_4 - resource dynamism</p> <p>Hence;</p> <p>$y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$</p>

For data analysis, inferential statistics were obtained using statistical packages for social sciences (SPSS) version 20.0 which was used for data analysis to reach conclusions and to make inferences from collected data. The regression model was used to test research hypotheses at .05 level of significance in this study. The regression model was used to test hypotheses and determine the type, strength and statistical significance of the

relationship that exists between the dependent and independent variables. It also helped to determine which of the predictor variable has a greater influence on the dependent variable. Data collected in this study was also analysed using Pearson’s correlation for continuous data gathered, Spearman’s Rank Order correlation for ordinal data gathered in the research and ANOVA.

FINDINGS

Table 3: Analysis of Spearman’s correlation between resources valuability and strategic renewal in insurance firms

<i>Statements related to valuability of resources in insurance firms.</i>		<i>Deliberate plans to initiate strategic renewal</i>	<i>Introduction of new products and product rebranding</i>	
<i>Spearman's rho</i>	<i>Current firm resources improve efficiency and effectiveness</i>	<i>Correlation Coefficient</i>	<i>.118</i>	<i>-.033</i>
		<i>Sig (2-tailed)</i>	<i>.088</i>	<i>.639</i>
		<i>N</i>	<i>210</i>	<i>210</i>
	<i>Current firm resources allow for the exploitation of opportunities at minimum costs.</i>	<i>Correlation Coefficient</i>	<i>-.032</i>	<i>-.056</i>
		<i>Sig (2-tailed)</i>	<i>.650</i>	<i>.417</i>
		<i>N</i>	<i>210</i>	<i>210</i>
	<i>My firm has developed capabilities to maximally exploit valuable resources</i>	<i>Correlation Coefficient</i>	<i>.164*</i>	<i>.156*</i>
		<i>Sig (2-tailed)</i>	<i>.018</i>	<i>.024</i>
		<i>N</i>	<i>210</i>	<i>210</i>

There was a very weak positive monotonic correlation between current firm resources improve efficiency and effectiveness and deliberate plans to initiate strategic renewal. The correlation was not statistically significant at .05 confidence level because p value >.05 ($r_s = .118$, $n = 210$, $p = .088$). There was a very weak negative monotonic correlation between current firm resources improve efficiency and effectiveness and deliberate plans to initiate strategic renewal. The correlation was not statistically significant at .05 confidence level because p value >.05 ($r_s = -.032$, $n = 210$, $p = .650$). There was a very weak positive monotonic correlation between current firm resources improve efficiency and effectiveness and deliberate plans to initiate strategic renewal. The correlation was statistically significant at .05 confidence level because p value <.05 ($r_s = .164$, $n = 210$, $p = .018$). There was a very weak negative monotonic

correlation between current firm resources improve efficiency and effectiveness and introduction of new products and product rebranding. The correlation was not statistically significant at .05 confidence level because p value >.05 ($r_s = -.033$, $n = 210$, $p = .639$). There was a very weak negative monotonic correlation between current firm resources allow for the exploitation of opportunities at minimum costs and introduction of new products and product rebranding. The correlation was not statistically significant at .05 confidence level because p value >.05 ($r_s = -.056$, $n = 210$, $p = .417$). There was a very weak positive monotonic correlation between my firm has developed capabilities to maximally exploit valuable resources and introduction of new products and product rebranding. The correlation was statistically significant at .05 confidence level because p value <.05 ($r_s = .156$, $n = 210$, $p = .024$).

Table 4: Analysis of Spearman's correlation between rarity of resources and strategic renewal in insurance firms

Statements related to rarity of resources in insurance firms.		Deliberate plans to initiate strategic renewal	Introduction of new products and product rebranding	
Spearman's rho	My firm's valuable resources are possessed by a large number of competing firms	Correlation Coefficient	.114	-.073
		Sig (2-tailed)	.100	.295
		N	210	210
	My firm is able to acquire unique resources that competing firms are not able to access	Correlation Coefficient	-.217**	.110
		Sig (2-tailed)	.002	.111
		N	210	210

There was a very weak positive monotonic correlation between my firm's valuable resources are possessed by a large number of competing firms and deliberate plans to initiate strategic renewal. The correlation was not statistically significant at .05 confidence level because p value >.05 ($r_s = .114$, $n = 210$, $p = .100$). There was a weak negative monotonic correlation between my firm is able to acquire unique resources that competing firms are not able to access and deliberate plans to initiate strategic renewal. The correlation was statistically significant at .05 confidence level because p value >.05 ($r_s = -.217$, $n = 210$, $p = .002$). There was a very weak negative monotonic

correlation between my firm's valuable resources are possessed by a large number of competing firms and introduction of new products and product rebranding. The correlation was not statistically significant at .05 confidence level because p value >.05 ($r_s = -.073$, $n = 210$, $p = .295$). There was a very weak positive monotonic correlation between my firm is able to acquire unique resources that competing firms are not able to access and introduction of new products and product rebranding. The correlation was not statistically significant at .05 confidence level because p value >.05 ($r_s = .110$, $n = 210$, $p = .111$).

Table 5: Analysis of Spearman's correlation between resources imitability and strategic renewal in insurance firms

Statements related to imitability of resources in insurance firms.		Deliberate plans to initiate strategic renewal	Introduction of new products and product rebranding	
Spearman's rho	My firm has imitated/developed capabilities from other firms for renewal activities	Correlation Coefficient	.309**	.006
		Sig (2-tailed)	.000	.928
		N	210	210
	Competing firms find it costly to imitate my firm's resources	Correlation Coefficient	.180**	-.004
		Sig (2-tailed)	.009	.953
		N	210	210

There was a weak positive monotonic correlation between my firm has imitated/developed capabilities from other firms for renewal activities and deliberate plans to initiate strategic renewal. The correlation was statistically significant at .05 confidence level because p value <.05 ($r_s = .309$, $n = 210$, $p = .000$). There was a very weak positive monotonic correlation between competing firms find it costly to imitate my firm's resources and deliberate plans to initiate strategic renewal. The correlation was statistically significant at .05 confidence level because p value <.05 ($r_s = .180$, $n = 210$, $p = .009$). There was a very weak positive

monotonic correlation between my firm has imitated/developed capabilities from other firms for renewal activities and introduction of new products and product rebranding. The correlation was not statistically significant at .05 confidence level because p value >.05 ($r_s = .006$, $n = 210$, $p = .928$). There was a very weak negative monotonic correlation between competing firms find it costly to imitate my firm's resources and introduction of new products and product rebranding. The correlation was not statistically significant at .05 confidence level because p value >.05 ($r_s = -.004$, $n = 210$, $p = .953$).

Table 6: Analysis of Spearman's correlation between resource non substitutability and strategic renewal in insurance firms

<i>Statements related to non-substitutability of resources in insurance firms</i>	<i>Deliberate plans to initiate strategic renewal</i>	<i>Introduction of new products and product rebranding</i>		
<i>Spearman's rho</i>	<i>Substitutes for valuable resources possessed by my firm are easily available</i>	<i>Correlation Coefficient</i>	<i>.327**</i>	<i>.094</i>
		<i>Sig (2-tailed)</i>	<i>.000</i>	<i>.174</i>
		<i>N</i>	<i>210</i>	<i>210</i>
	<i>Substitutes to firm resources can be developed quickly</i>	<i>Correlation Coefficient</i>	<i>.196**</i>	<i>.108</i>
		<i>Sig (2-tailed)</i>	<i>.004</i>	<i>.120</i>
		<i>N</i>	<i>210</i>	<i>210</i>
	<i>My firm has substituted core resources of competing firms to undertake strategic renewal.</i>	<i>Correlation Coefficient</i>	<i>.112</i>	<i>.023</i>
		<i>Sig (2-tailed)</i>	<i>.107</i>	<i>.738</i>
		<i>N</i>	<i>210</i>	<i>210</i>

There was a weak positive monotonic correlation between substitutes for valuable resources possessed by my firm are easily available and deliberate plans to initiate strategic renewal. The correlation was statistically significant at .05 confidence level because p value <.05 ($r_s = .327$, $n = 210$, $p = .000$). There was a very weak positive monotonic correlation between substitutes to firm resources can be developed quickly and deliberate

plans to initiate strategic renewal the correlation was statistically significant at .05 confidence level because p value <.05 ($r_s = .196$, $n = 210$, $p = .004$). There was a very weak positive monotonic correlation between my firm has substituted core resources of competing firms to undertake strategic renewal and deliberate plans to initiate strategic renewal. The correlation was not statistically significant at .05 confidence level because p value

>.05 ($r_s = .112$, $n = 210$, $p = .107$). There was a very weak positive monotonic correlation between substitutes for valuable resources possessed by my firm are easily available and introduction of new products and product rebranding. The correlation was not statistically significant at .05 confidence level because p value >.05 ($r_s = .094$, $n = 210$, $p = .174$). There was a very weak positive monotonic correlation between substitutes to firm resources can be developed quickly and introduction of new

products and product rebranding. The correlation was not statistically significant at .05 confidence level because p value >.05 ($r_s = .108$, $n = 210$, $p = .120$). There was a weak positive monotonic correlation between my firm has substituted core resources of competing firms to undertake strategic renewal and introduction of new products and product rebranding. The correlation was not statistically significant at .05 confidence level because p value >.05 ($r_s = .023$, $n = 210$, $p = .738$).

Table 7: Analysis of Spearman’s correlation between resource dynamism and strategic renewal in insurance firms

Statements related to resource dynamism in insurance firms.		Deliberate plans to initiate strategic renewal	Introduction of new products and product rebranding
	<i>My firm provides all resources to execute new business</i>	Correlation Coefficient	.083
		Sig (2-tailed)	.232
		N	210
Spearman's rho	<i>I can reorganize firm resources under my jurisdiction to address changing market opportunities.</i>	Correlation Coefficient	-.123
		Sig (2-tailed)	.074
		N	210

There was a weak positive monotonic correlation between my firm provides all resources to execute new business and deliberate plans to initiate strategic renewal. The correlation is not statistically significant at .05 confidence level because p value >.05 ($r_s = .083$, $n = 210$, $p = .232$). There was a weak negative monotonic correlation between i can reorganize firm resources under my jurisdiction to address changing market opportunities and deliberate plans to initiate strategic renewal. The correlation was not statistically significant at .05 confidence level because p value >.05 ($r_s = -.123$, $n = 210$, $p = .074$). There was a weak positive monotonic correlation between my firm provides all resources to execute new business and introduction of new products and product rebranding. The correlation was not statistically

significant at .05 confidence level because p value >.05 ($r_s = .070$, $n = 210$, $p = .316$). There was a weak negative monotonic correlation between i can reorganize firm resources under my jurisdiction to address changing market opportunities and introduction of new products and product rebranding. The correlation was not statistically significant at .05 confidence level because p value >.05 ($r_s = -.051$, $n = 210$, $p = .463$).

Regression Analysis

Regression analysis using SPSS version 20.0 was used to conduct the analysis. Output of ANOVA and Model summary tables indicated computed F-values showing statistical significance and R-Square values which show the degree of ‘change’ caused by other variables on dependent variable.

Table 8 : Goodness of fit between resource based management and deliberate plans to initiate strategic renewal

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	.560	.314	.272	.64949

a. Predictors: (Constant), resource valuability, resource rarity, resource imitability, resource substitutability, resource dynamism

Table 9: Analysis of variance (ANOVA) between resource based management and deliberate plans to initiate strategic renewal in insurance firms

<i>Model</i>		<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	<i>Regression</i>	38.023	12	3.169	7.511	.000 ^b
	<i>Residual</i>	83.101	197	.422		
	<i>Total</i>	121.124	209			

a. Dependent Variable: deliberate plans to initiate strategic renewal

b. Predictors: (Constant), resource valuability, resource rarity, resource imitability, resource substitutability, resource dynamism

ANOVA was conducted to compare the effect of resource based management on insurance firms' deliberate plans to initiate strategic renewal based on valuability, rarity, imitability, substitutability and dynamism of firm resources. There was a significant effect of resource based management on insurance firms' deliberate plans to initiate strategic renewal at the $p < .05$ level for the five conditions [$F(12, 197) = 7.51, p = 0.000$]. Post hoc comparison using the goodness of fit test yielded R value of .560 which indicated a moderate degree of correlation between resource based management and deliberate plans to initiate strategic renewal. The R^2 value indicated that 31.4% of deliberate plans to initiate strategic renewal could be explained by resource based management. Taken together, these results suggested that resource based management has an effect on deliberate plans to initiate strategic renewal. Specifically, our results suggested that

when insurance firms employ the resource based management model, there is increase in deliberate plans to initiate strategic renewal. However, it should be noted that resource based management capabilities, practices and features should be increased so as to see its significant impact since as it is it only accounts for 31.4% of renewal. The ANOVA results also indicated that there was a statistically significant difference between groups ($F(12,197) = 7.511, p = .000 < .05$). At $p = .05$ level of significance, there existed not enough evidence to support the null hypotheses. The null hypothesis was rejected. Therefore the researcher concluded that resource based management influences deliberate plans to initiate strategic renewal of insurance firms in Kenya. This indicated that there is significant influence of resource based management on deliberate plans to initiate strategic renewal of insurance firms in Kenya.

Model Summary

Table 10: Goodness of fit between resource based management and strategic renewal in form of introduction of new products and product rebranding

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.261	.068	.012	.92488

a. Predictors: (Constant), resource valuability, resource rarity, resource imitability, resource dynamism

Table 11: Analysis of variance (ANOVA) between resource based management and strategic renewal in form of introduction of new products and product rebranding in insurance firms

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.365	12	1.030	1.205	.282 ^b
	Residual	168.515	197	.855		
	Total	180.881	209			

a. Dependent Variable: strategic renewal in form of introduction of new products and product rebranding

b. Predictors: (Constant), resource valuability, resource rarity, resource imitability, resource dynamism

ANOVA was conducted to compare the effect of resource based management on strategic renewal in form of introduction of new products and product rebranding based on valuability, rarity, imitability, substitutability and dynamism of firm resources. It was established that there was no significant effect of resource based management on insurance firms' strategic renewal in form of introduction of new products and product rebranding at the $p < .05$ level for the five conditions [$F(12, 168) = 1.205, p = .282$]. Post hoc comparison using the goodness of fit test yielded R value of .261 which indicates a low degree of correlation between resource based management and insurance firms' strategic renewal in form of introduction of new products and product rebranding. The R^2 value indicates that 68% of insurance firms' strategic renewal in form of introduction of new products and product rebranding can be explained by resource based management. Taken together, these results suggest that resource based management has an effect on insurance firms' strategic renewal in form of introduction of new products and product rebranding. Specifically, our results suggest that

when insurance firms employ the resource based management model, there is marginal increase in strategic renewal in form of introduction of new products and product rebranding. However, the R^2 statistic shows that insurance firms still employ the resource based management. Future research should focus on examining this phenomenon to explain if there is low correlation between the two variables, then why does the predictor variable explain a relatively large portion of the dependent variable. The ANOVA results also indicate that the difference between means ($F(12,197) = 7.511, p = .282 > .05$) was not statistically significant. At $p = .05$ level of significance, there exists enough evidence to support the null hypotheses. Therefore the null hypothesis is accepted. Therefore the researcher concludes that resource based management does not influences strategic renewal in form of introduction of new products and product rebranding of insurance firms in Kenya.

Summary of Findings

The study sought to establish the relationship between resource based management and strategic renewal of insurance firms in Kenya. Majority of the

respondents accepted that their firm resources are valuable at an average of 77.47%. An average of 90.25% of respondents confirmed that firm resources were rare. An average of 76.53% of respondents acknowledged that firm resources were imitable, average of 65.20% believed that firm resources were substitutable and an average of 79.50 acknowledged that their firm resources were dynamic. The researcher established that there is a statistically significant influence of resource based management on deliberate plans to initiate strategic renewal of insurance firms in Kenya. The researcher established that there is a statistically not significant influence of resource based management on strategic renewal by introduction of new products and product rebranding of insurance firms in Kenya.

Hypotheses Testing

ANOVA between resource based management and deliberate plans to initiate strategic renewal yielded a p value $<.05$. Thus null hypothesis was rejected. This indicated that there is significant influence of resource based management on deliberate plans to initiate strategic renewal of insurance firms in Kenya. At $p = .05$ level of significance, there was no enough evidence to support the null hypotheses. The goodness of fit indicated that the correlation was moderate with resource based management accounting for 31.4% of strategic renewal. ANOVA was conducted for influence of resource based management on strategic renewal by introduction of new products and product rebranding. This test yielded a p value $>.05$. Thus null hypothesis was accepted. This indicated that there is no significant influence of resource based management on strategic renewal by introduction of new products and product rebranding. At $p = .05$ level of significance, there was enough evidence to support the null hypotheses. This was further supported by the goodness of fit which indicated a very low correlation between resource based management

on strategic renewal by introduction of new products and product rebranding, where only 6.8% of strategic renewal was explained by introduction of new products and product rebranding. A majority of respondents agreed that firm resources were valuable, imitable, substitutable, dynamic and rare.

Conclusion

It was concluded that resource based management influences strategic renewal of insurance firms. This finding corresponded to those of Allio who lists ten cornerstones of strategic thinking and resource based management as a component (Long-range planning, Strategic analysis, Quality Portfolio theory, Scenario planning, Resource allocation models, Corporate culture, Leadership craft, Metrics that matter, and Strategic alliances (Allio, 2006). The researcher established that all parameters of resource based management; resource valuability, resource rarity, resource imitability, resource substitutability and resource dynamism influence strategic renewal of insurance firms. However resource non-substitutability had the most positive influence on strategic renewal followed by resource imitability. Resource rarity had a non-monotonic relationship with strategic renewal of insurance firms. The research established that most firm resources are imitable, substitutable and dynamic. The fact that the resources are easily picked by competitors is a factor that explains why insurance firms make their strategic renewal deliberate. This corresponded by findings of Taneja et.al., made findings that Organizational leaders must understand organizational renewal theories in order to be better able to invent the future as a continuous as well as episodic renewal process (Taneja, Pryor, Gibson & Toombs, 2012). However with the low correlation with introduction of new products and rebranding could mean that insurance firms do not necessarily undertake renewal through products, they may be undertaking other forms of renewal such as corporate rebranding, which future

researchers can look into. The researcher concluded that there is significant influence of resource based management on deliberate plans to initiate strategic renewal of insurance firms in Kenya. The researcher established that resource based management does not influence strategic renewal in form of introduction of new products and product rebranding of insurance firms in Kenya.

Future Research

Future researchers may be interested in examining the difference that has emerged in the way that resource based management relates differently to deliberate plans to initiate strategic renewal as opposed to how it impacts how it relates implementation of strategic renewal by introduction of new products and product rebranding. This phenomenon may also interest researchers not only in the field of strategy but also in the field of marketing and entrepreneurship.

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Recommendations

The resource-based management (RBV) is a model that sees resources as key to superior firm performance. If a resource exhibits VRIO attributes, the resource enables the firm to gain and sustain competitive advantage (Rothaermel, 2015). Based on the findings and conclusions of the study, the following recommendations were made: The study recommends that insurance firms in Kenya should endeavor to leverage application of resource based management because it has been found to have a significant and positive effect on strategic renewal of insurance firms in Kenya. Moreso insurance firms should establish mechanisms of enhancing resource valuability and non-substitutability to avoid competitors picking up a firm's strategy.

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