MODERATING ROLE OF STRATEGIC CAPABILITIES ON THE RELATIONSHIP BETWEEN CORPORATE GOVERNANCE AND COMPETITIVENESS OF INSURANCE COMPANIES IN ELDORET TOWN, KENYA

Korir, I. K., Akuku, C., Kimutai, G., & Onyango, R.

The Strategic JOURNAL of Business & Change MANAGEMENT
ISSN: 2312-9492 www.strategicjournals.com
Vol. 8, Iss. 1, pp 35 – 54. January 5, 2021. www.strategicjournals.com, ©Strategic Journals

MODERATING ROLE OF STRATEGIC CAPABILITIES ON THE RELATIONSHIP BETWEEN CORPORATE GOVERNANCE AND COMPETITIVENESS OF INSURANCE COMPANIES IN ELDORET TOWN, KENYA

Korir, I. K., [1*]Akuku, C., [2] Kimutai, G., [2] & Onyango, R.[3]
[1*] Master Student, Kisii University, Kenya
[2] Ph. D, Lecturer, Kisii University, Kenya
[3] PhD Student, Masinde Muliro University of Science and Technology [MMUST], Kenya

Accepted: August 16, 2020

ABSTRACT

This study was designed to assess the moderating role of strategic capabilities on the Relationship between of corporate governance and competitiveness of insurance companies in Uasin Gishu County, Kenya. The study was guided by the following specific objectives; to find out the Relationship between ethical leadership and competitiveness of insurance companies, to analyze the Relationship between communication strategies and competitiveness of insurance companies in Eldoret town Kenya and to determine the moderating role of strategic capabilities on the relationship between of corporate governance and competitiveness of insurance companies in Eldoret Town, Kenya. In a bid to effectively achieve these objectives, the study adopted an explanatory cross-sectional design based on samples drawn from across the insurance companies in Eldoret town. The target population was 352 insurance companies' employees. A multi-stage sampling technique was adopted where stratified random sampling was used to select the insurance companies after which simple random sampling was used to select respondents within the insurance companies .The study used Morgan table (1970) formula to calculate the sample size which was 186 respondents from the target population of 352 respondents. Data was collected by use of questionnaire which was self-administered. Data was analyzed by use of both inferential and descriptive statistics using SPSS version 25. From the study findings correlations among the corporate governance practices were significant. With a moderator the variables jointly explained 61.6 % (R^2= 0.616) variation in competitiveness of insurance companies. Beta values for ethical leadership (.511) and communication strategies (.408) were also positive. The study concluded that strategic capabilities significantly influences the relationship between corporate governance and competitiveness of insurance companies. The management of insurance companies should pay high premiums in formulating and implementing corporate governance practices in tune with strategic capabilities to effectively enhance their competitiveness. The findings would be of significance to various stakeholders in the insurance industry for the sustainable development and body of knowledge by widened horizons of existing knowledge on the corporate governance and competitiveness of insurance companies.

Key words: *Strategic Capabilities, Corporate Governance and Competeveness*

CITATION: Korir, I. K., Akuku, C., Kimutai, G., & Onyango, R. (2020). Moderating role of strategic capabilities on the relationship between corporate governance and competitiveness of insurance companies in Eldoret Town, Kenya. T*he Strategic Journal of Business & Change Management,* 8 (1), 35 – 54.

INTRODUCTION

Growth of companies and the separation between management and ownership have led to weak monitoring mechanisms on the behavior of managers and to the occurrence of a lot of financial crises owing to conflict of interest between stakeholders (Aymn & Zamel, 2015).In order to alleviate conflict of interest and grasp new opportunities and new demands to compete effectively in the dynamic world, firms must be continually innovative and adopt good corporate governance practices and frameworks. Technological progress, globalization and increased competition and accompanying challenges in achieving its goals make co- operate governance inordinate in the light of achieving competitiveness. However, the leadership of the organization should be competent enough to blend its strategic capabilities for competitiveness. Therefore, adoption of corporate governance is of great necessity for achieving competitiveness through financial and administrative performance (Said, 2009). The higher the conformance to good corporate governance practices, the stronger is the firm's competitiveness (Jamali, Safieddine & Rabbath, 2008).

According to Ahmad, Kadzrina and Yen (2016) competitiveness is the attainment of common competitive priorities in relation to competitors. Competitiveness is where a firm is able to create more economic value than other competing firms (Barney, 2010). Economic value is the difference between perceived benefits gained by a customer that purchases a firm's product or service and the full economic cost of these product and services (Barney, 2007). The inevitability of the need to create economic value makes achieving competitiveness by organizations increasingly important and pivotal for their survival. This obligates the organization to reflect on what people want and need most from their work, how organizations can impact on customers and employees accordingly through their management and employment practices and, ultimately impact organizational results and competitiveness. These underpins the essence of human factor as nuclear for organizations in achieving positive differentiation and higher goals for competitiveness (Daniel & Joana, 2011). These competitive demands issue and the strategic sense attributed to management of human and non-human resources in fulfilling the needs of its public's calls for corporate governance. This is alluded to the fact that process of thinking and understanding competencies gaps and value gaps between itself and competitors plays a crucial role in terms of acquiring a competitive edge. Thus, corporate governance should have the capacity to orientate the organization towards competitive forces and neuter them for competitiveness. This argument is premised on the sentiments of Munyefu (2018) that the aim of corporate governance is to increase wealth and accountability of the company with an aim of achieving long term value for stakeholders.

Corporate governance refers to structures and processes used by a firm to control and direct its business affairs (Li, Pike, & Haniffa, 2008).Corporate governance and ownership influence how managers develop internal routines how firms contract with external entities and how they ultimately create value. Most importantly, different ownership structures may also indicate differing interests (Young, Peng, Ahlstrom, Bruton & Jiang, 2008).Corporate governance therefore provides the mechanism for checking and monitoring the behavior of the top management. In developed economies, corporate governance has two main aims: on the one hand, it aims to prevent recurrence of corporate scandals; and on the other, to strengthen corporate competitiveness (Čedomir, Gordana& Nina, 2013).Corporate Governance aims to achieve transparency, accountability, justice, social responsibility, and autonomy thus achieving protection of the common interests of the stakeholders, leading to maximizing profitability and providing new job opportunities(Aymn & Zamel, 2015).

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

Good corporate governance has a Relationship between reduction on agency costs and inefficiencies adduced to conflict of interest setting the organization apart from competitors as new entrants emerge to get a stake of the market (Hassan., 2011). To surmount competition, an organization must analyze the competitors early warning signs, formulate policies and strategies for launching new ventures as opposed to conservative deeds. In this regard the organization should be able to rightly direct its efforts on its resources and capabilities because efficient accumulation and deployment of this resources and capabilities will help the firm win over its competitors in an ethical manner. In the modern business world, a firm's capacity to compete depends on its ethical ability to change and develop new strategic directions (Roman, Piana, Stival, de Mello & Erdmann, 2012). This gives credence to the advocacy for adoption of strategic capability which influences utilization of organizational resources and capacities through strategy formulation, quality and implementation for strategic direction and competitiveness.

Strategic direction as a product of how strategies are shaped and put into action is the responsibility of a business' leadership thus it is an inevitable flare for corporate governance in occasioning competitiveness. However, the idiosyncrasy of advantages in developing and employing strategy as a recipe for competitiveness hinges on strategic capability of a business. According to Michael, Anthony and Robert (2007) only certain capabilities have significant Relationship between competitiveness and profitability. Strategic capability refers to all the company's strengths, it's people, resources, skills and capacities that give it a competitive advantage (Hartman, 2019). The definition of strategic capabilities was proposed by Day (1994) as: "complex bundles of skills and accumulated knowledge that enable firms to coordinate activities and make use of their assets to create economic value and sustain competitive advantage (Fátima, João, Mário & Paulo, 2013).

The capacity of management or governance to formulate strategy types, quality and strategy implementation capability affects organizational competitiveness courtesy of strategic orientation inoculation. According to Hahn and Powers (2010) earlier studies about the quality of the strategic plan formulation and firm's performance show that high quality strategic plans have a positive and significantly association with firm's competitiveness and performance. Therefore, an effective strategy formation capability remains a complex organizational resource and dynamic capability that should lead to competitiveness and superior performance of the organization. Thus, competitiveness as on outcome of corporate governance is premised on strategic capabilities of the organization. This argumentation is underscored by the fact that resource-based approach has presumed, organizations need to develop their core competencies in order to cope with growing uncertainty in the economic environment. Organizations' capabilities occur as a result of the integration of talent, technology, systems, and business value of managerial behavior which shape organization itself (Evans et al., 2002). Thus, the ability to develop a successful strategy is related to the development of capabilities or internal resources and the ability to modify its strategy posture for competitiveness.

Globally companies set up various measures to fortify great corporate governance in order to go up against the test connected to awful corporate governance practices like poor responsibility (Erkens, Hung& Matos, 2012).The soaring rate of corporate extortion and collapse, including swelled and misrepresented books, poor employee relations, abuse of office and incessant complaints from their publics have renewed worldwide acclamation for corporate governance to engender competitiveness. In the US and Europe many corporations have failed due to poor corporate governance .The genesis of poor Corporate Governance lies in business scams and failures namely the Watergate scandal, the junk bond

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

fiasco in USA and the failure of Maxwell, BCCI and Polypeck in UK which resulted into setting up of the Tread way committee in USA and the Cadbury committee in UK on Corporate Governance (Bhavya & Aishvarya, 2014).Fair Life Certification Society in the United Kingdom in the year 2000, broke down because of unlawful utilization of stores implied for ensured annuity rate strategies to finance current annuity rate approaches by the executives of the organization(McConnell & Blacker, 2012). In the year 2003, one of the biggest and a world pioneer insurance agency in Sweden known for in giving variable annuities and different investment funds had its notoriety tossed into confusion after the three of its top officials were under scrutiny for bungling the corporate resources.

Lack of framework to manage wealth continues to plague and many corporate entities in many developing countries of the world and especially in Africa into the vicious circle of liquidation (Ayandele & Isichei, 2013). However, Rwegasira (2000) cited in Ayandele and Isichei (2013) argues that the concept of corporate governance is not necessarily the best solution for developing economies because they face numerous problems that include unstable political regimes, low per capita incomes and diseases. Such problems require more elaborate solutions than simply adopting corporate governance practices in developing countries, especially countries in the African continent (Agbonifoh, 2010).However, the recent global financial crisis has demonstrated that lack of transparency in business practices, responsible corporate executives and shareholders rights, could lead to possible business failures of even strong economies due to diminishing investors' confidence(Solomon, 2010). In this regard developing countries in particular, have been warned of the consequences of adopting poor corporate governance practices that may cause the shares of businesses to be sold for billions of dollars less than they ought to if their firms had put in place good corporate governance practices and policies Anon., (2001) cited in (Araniyar & Chize, 2017). Nigerian corporate frameworks seem to be weak indexed by corrupt corporate behavior such as the recent exposure in Cadbury Nigeria Plc and the management failure to disclose corporate financial information to shareholders, lack of accountability and bribery scandal involving top management of Halliburton Nigeria (Adegbite & Nakajima., 2011).They add that Chief Executive Officers (CEO) of companies in Sub-Saharan Africa such as Ghana and South Africa also lament the collapse of many businesses was due to poor corporate governance. In Kenya Olweny (2013), absence of good corporate governance has been a major cause of failure and stagnations of many well performing companies including WorldCom, Anderson, Merrill Lynch, Enron, Uchumi Super Market, CMC Motors and Euro Bank. A weak corporate governance results in weak organizational strategy, which seriously compromises the strategic positioning and success of an organization (Kemboi, 2012).

The consumption of insurance products in Kenya is mainly dominated by Motor, fire industrial and personal accident covers that are normally offered as riders under group medical insurance schemes. Still a significant population does not have insurance cover an index of poor perception on personal insurance covers (Mbogo, 2010). This calls for good corporate governance in order to enhance customer penetration and competitiveness amongst insurance companies. There are mixed empirical findings on the relationship between corporate governance and firm-level financial performance and other outcomes (Mollah, Al Farooque & Karim, 2012; Ntim, 2013). This may partially be attributed to the lack of an integrative framework that examines the effectiveness of corporate governance mechanisms on both motivation and capability drivers of firm-level competitive behavior. The current study has been designed to fill the existing gap in literature by looking at how corporate governance affects competitiveness in insurance companies as

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

moderated by strategic capability in the Kenyan context.

Problem Statement

Global events regarding corporate collapse have put back on the policy agenda and deepened argument on the effectiveness of corporate governance appliances as a way of improving organizational competitiveness (Boubakri, 2011). Regardless of tight governing framework, corporate governance remains too weak in Kenya (CIRC, 2010). Some of the Insurance companies in Kenya are faced with a challenge of poor or disregard of corporate governance that hinder them from not only performing competitively but also sustaining their competitive positions. This has posed a major marketing challenge to the insurance firms due to high number of insurance companies competing for the Kenyan target market but still a significant population does not have insurance cover due to low market penetration rate. This is an index of poor perception on insurance companies and their concepts (Mbogo, 2010). There is need therefore for companies to adopt good cooperate governance to reinvigorate their competitiveness to enable them sustain their long-term survival.

Insurance firms have a pivotal responsibility in the growth of the economy mainly by creating employment opportunities and payment of taxes that support the Kenyan economy. In this regard insurance companies need to be competitive enough to ensure growth and retention of market share in the industry because this would certainly translate to increased sales and profit. Thus there is need for them to orientate themselves towards competitive forces through corporate governance for competitiveness. This argument is premised on the sentiments of Munyefu (2018) that the aim of corporate governance is to increase wealth and accountability of the company with an aim of achieving long term value for stakeholders. Gitau (2013) discussed strategies adopted by Kenyan Insurance Companies to alleviate low insurance penetration. Ombonya (2013) conducted a study on banc assurance as a penetration strategy used by insurance companies in Kenya. Achoki (2013) looked at competitive strategies adopted by bank of India in Kenya. Matilu (2010) researched on competitive strategies and human resource management practices adopted by the insurance companies in Nairobi, Kenya. However, these studies did not look at how corporate governance affects competitiveness of insurance companies in Kenya. Thus, leaving a gap that this study aims to bridge. Therefore, the current study intended to fill in the existing gap by finding out the Relationship between of cooperate governance on competitiveness of the insurance companies as moderated by strategic capabilities in Kenya to enhance their competitiveness.

Study Objectives

The general objective of this study was to assess the moderating role of strategic capabilities on the Relationship between corporate governance and competitiveness of insurance companies in Eldoret Town, Kenya. The study was guided by the following specific objectives;

- To find out Relationship between ethical leadership and competitiveness of insurance companies in Eldoret Town, Kenya
- To analyze the Relationship between communication strategies and competitiveness of insurance companies in Eldoret Town, Kenya
- To examine the moderating role of strategic capabilities on the Relationship between corporate governance and competitiveness of insurance companies in Eldoret Town, Kenya

LITERATURE REVIEW

Empirical Review

Ethical leadership and organizational competitiveness

Ethical leadership is the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers (Brown, Treviño& Harrison, 2005). This implies that through ethical leadership the organization can get immune from unethical and destructive organizational practices besides engendering knowledge acquisition of constructive practices. This underpinned by the fact that ethical behavior of the leaders has been acknowledged for the improved performance and growth of a range of different organizations and institutions such as business organizations, sports teams and religious institutions (Brown & Treviño., 2006; Tseng & Wu, 2017).Ethical leadership remains quintessential in providing guidance to organizational members towards goals and objectives which are beneficial to the organization, its members, other stakeholders and society.

Brown et al. (2005) describe ethical leaders as honest, trustworthy, fair and caring. Brown et al. adds that such leaders make principled and fair choices and structure work environments justly. In this regard there is no second opinion to the notion that ethical leaders are fair and epitomize moral behavior. In fine morality and fairness, ethical role clarification and power sharing as components of ethical leadership at work (De Hoogh & Den Hartog, 2008).Duggar(2009) asserted that an organization with a culture of integrity creates a highly rated work environment and a base for long term financial performance hence organizational competitiveness. Duggar further reported that a culture of integrity also positively impacts the association between an organization and its customers and other stakeholders. Thompson, Strickland and Gamble, (2008) opined that a leader's ethical behavior results to a strong impact on an organization performance, for good or bad. Strategic leaders are therefore required to take individual initiative in developing and enhancing ethical behavior in their various organizations. According to Katee, (2013), good leadership skills include a number of competencies associated with the facilitation of daily work in organizations that include setting of goals and setting plans towards attaining the goals, monitoring growth, establishing systems, sorting problems and settling at resolutions.

Ethical leadership means to have ethical values such as (fairness, respect for others, honesty, credibility, sincerity, support the participation and sympathy, etc.) and put them into action (Yilmaz, 2010).Ethical leadership means behavior in accordance with rules, responsibility and goodwill toward employees and society (Tutar & Mehmet, 2011). Khandelwal and Mohendra (2010) defined corporate values as beliefs held in high esteem by corporate members regarding the means and ends that a corporation ought to identify in its operations, and a common identity and shared sense of purpose for the company and its members. Charles and Jones cited inWang(2011) also divided corporate values into terminal values the end states and instrumental values modes of behavior. Terminal values are reflected in an organization's mission and goals, and instrumental values are embodied in norms, rules and codes of conduct. The functions of values at the corporate level are external adaption and internal integration, which shape the organization's philosophy, process and goals.

Basharat, Mohammed, Sujata, Kamran and Hafiz (2018) examined the relationship between ethical leadership and employee creativity with mediating role of trust in leader and moderating role of openness to experience. Data were collected from 205 supervisor–subordinate small textile firms across Pakistan. The study used confirmatory factor analysis to confirm the distinctiveness of variables used in the study. The results confirmed that ethical leadership promotes creativity at workplace, while trust in leader mediates the relationship between ethical leadership and creativity. Furthermore, the results did not confirm the moderation of openness to experience on the relationship between trust in leader and employee creativity. However, the responses were collected using questionnaires thus, effects of common method and single source bias. Gakure, Gichuhi and Waititu (2014) determined the influence of organizational leadership on competitiveness of public universities in Kenya. Literature revealed that the Kenyan and other African Universities are missing from the list of 100

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

best universities in the world and that most graduates coming from the continent are disadvantaged and less prepared to form the global labor force. The sample was n=384 including teaching and non-teaching staff from public universities in Kenya. Factor analysis revealed four items with a loading value below 0.4 as recommended by David Etal2010, hence the items were eliminated in the analysis; all other remaining components were retained for analysis. The data had a Cronbach's alpha of 0.799; hence the instrument was determined to be reliable. Data analysis revealed a positive relationship R = 0.403, (p-value < 0.05) indicating a significant linear relationship between leadership and competitiveness. These findings cannot be generalized to the insurance industry owing to difference in industrial setting.

Communication strategies and organizational competitiveness

In today's global business environment, effective internal and external communication has a significant impact on the success of the organization (Chiou et al., 2004). Communication or its lack can either drive or stall innovative and creative solutions within an organization (O'Reilly & Tushman, 2011). Company success is dependent on effective communication particularly in a multicultural and competitive global environment yet the types of effective communication that impact competitiveness have not been well explored (Nwabueze & Mileski, Achieving competitive advantage through effective communication in a global environment., 2018). A communications strategy is one of the most effective means of developing a distinct competitive advantage for an organization, but many managers are unsure of how to go about it. Although companies are aware of the importance of communication, far less attention is paid to promoting the use of effective communication within and outside the organization as compared to other factors. In this regard organizations must encourage greater communications and coordination across all corporate departments. Investment in information and communication Technologies are key factors not only for reasons of efficiency, but also for strategic reasons. Small businesses can use these Technologies to improve relations with their partners, thus expanding their influence on these partners' strategies and offering more efficient and effective ways of working (Onajaefe & Leaning, 2007). Strategies for managing effective communication can also be used in a wide range of organizational contexts including communication with multicultural team members, forming alliances with international companies, worldwide telemarketing and customer communication, negotiations, mergers and acquisitions (Nwabueze & Mileski, 2018).

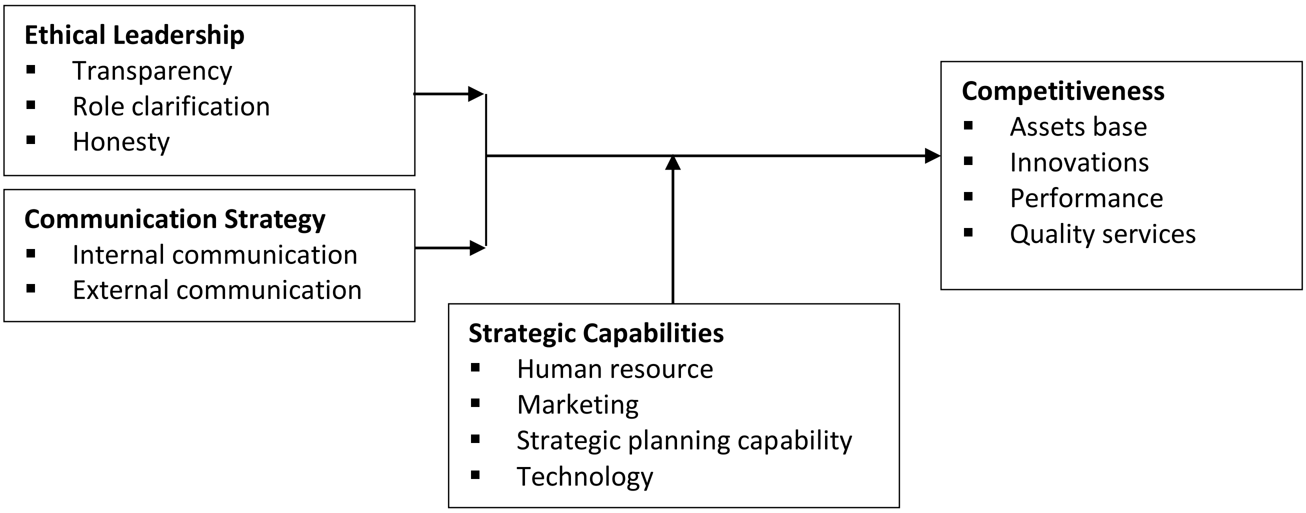
Gilley, Dixon and Gilley(2008) examined the skills and behavior of leadership and management with respect to change and innovation. In particular, they investigated whether the leaders were able to effectively implement change within their organizations by asking employees to evaluate how frequently leaders coached, rewarded, communicated, motivated, and encouraged teamwork and collaboration among employees. The results of the study confirm that the inability to communicate and motivate were the primary causes of organizational failure. The research also shows that the ability to communicate interpersonally, appropriately and motivate others influences a leader's ability to effectively implement change and drive innovation. In order to be viable in a highly competitive environment, organizations should be able to anticipate, adapt, and execute change successfully.

Seo and Cho(2016) assesed the effects of Global Communication on National Competitiveness: Evidence from Twitter Communication Network empirically investigated how the centrality of countries in Twitter communication network impacts their competitiveness. Through a series of analyses the researchers tested the effects of centrality on national competitiveness. The results showed that the centrality of countries in Twitter communication network has significant and positive effects on national competitiveness. Thus, they suggested that the global communication activity of citizens is critical in enhancing national competitiveness. By investigating how a country's position in social networks affects national competitiveness through analyzing the social structures of twitter communication network, this study provided motivation to further empirically explore national competitiveness from the social network perspective. Position identification of a country in the global communications network provides policymakers and practitioners with beneficial information to better understand the state of their country in relation to other nations. To improve national competitiveness, they should make more economic and cultural efforts to improve the global communication of their citizens. The study relied on empirical studies which are liable to errors and pitfalls that are directly related to the layered evaluation approach.

Strategic capabilities on corporate governance and competitiveness

Seyhan, Ayas, Sönmez and Uğurlu (2017)in their study explored the relationship between strategic capabilities and competitive performance and the moderating Relationship between internal cooperation and this relationship for the machine-made carpet manufacturers operating in Turkey. As a result of analyses of 203 questionnaires collected from top and mid-level managers of machine-made carpet manufacturers which are operating in Turkey, they observed that marketing capabilities, market-linking capabilities, information technology capabilities and management related capabilities as dimensions of strategic capabilities have a positive relationship on competitive performance. Besides, internal cooperation has moderated only the relationship between management related capabilities and competitive performance. This study only included the attitude of upper and middle level of managers without the other employees of the organization. The study was conducted in the manufacturing setting in turkey hence the generalizations are limited to the manufacturing industry and in Turkey and not in Kenyan service industry. The study recommended replication of the study in other different countries whether cultural variations may be the case in this concept. The study also used internal cooperation as a moderator and strategic capabilities as the independent variables. The current study will fill the gap by looking at corporate governance as the independent variable and strategic capabilities as the moderating variable.

Bouzinab(2013) through logistic and OLS regressions assessed which governance attributes predicted better successful acquisitions and which ones, have a significant impact on post- acquisition performance. The study found that board legitimacy based on the quality of Directors' selection and nomination processes, along with board credibility based on director's occupational backgrounds diversity and firm industry specific experiences are positively associated with the probability of making successful acquisitions. The study also found that strategy processes and dialogue between the board and management operationalized through board strategic capabilities are positively related with the probability of making successful acquisition for firms with higher board CEO functional distance, higher Board-CEO educational level similarity and higher Board-CEO age distance. The study finally found that Directors' occupational diversity, industry specific experiences and Board-CEO educational level similarity were positively related with the improvements in the acquirers' ROA in the case of successful acquisition. However, the study findings are restricted to the Canadian context and any generalization of our findings to other institutional contexts is therefore limited. The study also assessed organizational performance as an outcome of corporate governance without a moderator. This provides a gap to be filled by the current study Sibanda (2017) examined the impact of corporate governance adoption on the firm competitiveness and performance of SMEs in Vanderbijlpark. The study employs a cross-sectional research design, which employed quantitative methods. One hundred fifty-two SME owners or managers were selected from Vanderbijlpark in Gauteng, South Africa. The collected data were analyzed using a structural equation modeling system by using Smart PLS software. The principal findings of this study revealed that the implementation of corporate governance by SMEs significantly and positively affected their competitiveness and performance. The findings can be used in influencing public policy, teaching and research (because it contributes to the body of knowledge, particularly regarding SME corporate governance in emerging markets). However, the study findings are limited to the South African context besides this study left a gap on investigating the mediating relationship that firm competitiveness has on the relationship between corporate governance and firm performance in SMEs. In this regard the current study will look at how strategic capabilities moderates the link between cooperate governance and competitiveness.



Independent Variable **Moderating variable** **Dependent Variable**

Figure 1: Conceptual Framework

Source (Researcher 2019)

METHODOLOGY

This study adopted an explanatory cross-sectional design. The target population for the study comprised of middle and top-level management of the insurance companies in Uasin Gishu County. The accessible population was 352 respondents who were drawn from the insurance companies in Uasin Gishu County. The sample frame included employees of the registered insurance companies in Eldoret Town. In this study the sample size was determined using Krejcie and Morgan table 1970. After the sample size of 186 respondents it was distributed proportionally to each insurance company according to Neyman's allocation formula (Carfagna & Arti, 2007). The purpose of the method was to maximize survey precision, given a fixed sample size. Stratified random sampling technique was used to select the insurance companies. Simple random sampling was used to select the respondents to participate in the research study, but after it had been determined how many from each of the insurance companies participated. Primary sources were a major source of data in this study and was collected by use of questionnaires. The study questionnaire contained questions on structure based on the constructs of ethical leadership, communication strategies and competitiveness as highlighted in the conceptual framework. Likert scale anchored on a five-point rating ranging from strongly agree to strongly disagree was used in the design of the questionnaires (5 = Very Great Extent (VGE) 4 =

Great Extent (GE) 3 = Moderate Extent (ME) 2 = Small Extent (SE) 1 = Very Small Extent (VSE).

Once adequate number of questionnaires was collected, each questionnaire was assigned a unique identification to avoid double entry and to facilitate coding of variables. All the data collected was coded and entered into an SPSS sheet, organized and cleaned for any inconsistencies. The data was then processed using Statistical Packages for Social Sciences software (SPSS 23). Data was then analyzed using inferential statistics. The aim of inferential statistics was to approximate and make inferences about statistical characteristics of populations. The study used regression analysis in inferential statistics. Results from correlation and regression analysis was presented by use of tables.

The multiple linear regression model was as follows:

$Y = \beta 0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$……………………..Equation 1

$Y = \beta 0 + \beta_1 X_1 {*} M + \beta_2 X_2 {*} M + \varepsilon$……………..Equation 2

Where Y is competitiveness, dependent variable X represented cooperate governance, β_{1-} β_3 are the standardized regression coefficient.

β_0	Represents the y intercept
Y	Represents competitiveness
X_2	Represents ethical leadership
X_3	Represents communication strategy
M	Represents strategic capability
ε	Represents error term

FINDINGS

Regression Analysis

The study identified ethical leadership and communication strategies as the imperative factors that determined competitiveness as highlighted in the reviewed literature with strategic capabilities as a moderator. These independent variables were then subjected to simple regression analysis and multiple regression analysis (MRA) to establish their effect on competitiveness which was the dependent variable.

Effects of Ethical Leadership on competitiveness

The model summary presented in table 1 involved ethical leadership as the only independent variable. The coefficient of determination (R square) of 0.477 indicated that the model explained only 47.7 % of the variation or change in the dependent variable with the remainder of 52.3 % explained by other factors other than ethical leadership. Adjustment of the R square did not change the results substantially, having reduced the explanatory behavior of the predictor to 47.4%

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.691[a]	.477	.474	.388	1.545

a. Predictors: (Constant), Ethical Leadership

b. Dependent Variable: Competitiveness

Second, the ANOVA output was examined to check whether the proposed model was viable. Results shown in Table 2 revealed that the F-statistic was highly significant (F= 137.006 p<0.05), this showed that the model was valid.

Table 2: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20.711	1	20.711	137.006	.000[b]
	Residual	22.676	150	.151		
	Total	43.387	151			

a. Dependent Variable: Competitiveness

b. Predictors: (Constant), Ethical Leadership

The Strategic Journal of Business & Change Management. ISSN 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

The model significantly improved the ability to predict competitiveness. Thus, the model was significant.

Regression Coefficients of Competitiveness as explained by Ethical Leadership

Results of the regression coefficients presented in showed that the estimates of β values and give an individual contribution of a predictor to the model. The β represented the relationship between competitiveness with the predictor. The positive β value indicated a positive relationship between the predictors and the outcome. The β value for competitiveness (.691) was positive. The positive β values indicated the direction of relationship between predictor and outcome. From the results, the model was then specified as: -

$y= \beta_1 X_1+\varepsilon$............................Equation 3

Competitiveness = .691 Ethical Leadership + *ε*

The coefficient of the variable indicated the amount of change one could expect in Competitiveness given a one-unit change in Ethical Leadership basing on the standardized coefficients. Result reveal standardized regression coefficient for Ethical Leadership (β=0.691), implied that an increase of 1 standard deviation in Ethical Leadership is likely to result in 0.691 standard deviations increase in competitiveness. T-test was used to identify whether the predictor was making a significant contribution to the model. When the t-test associated with β value is significant then the predictor is making a significant contribution to the model. The results showed that ethical leadership was (t =11.705, $P<.05$). In this regard the null hypothesis was rejected and alternative accepted that ethical leadership significantly affects the competitiveness of insurance companies in Eldoret town.

Table 3: Regression Coefficients[a]

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1 (Constant)	1.925	.180		10.683	.000		
Ethical Leadership	.533	.046	.691	11.705	.000	1.000	1.000

a. Dependent Variable: Competitiveness

Effects of Communication Strategies on competitiveness

The model summary presented involved communication strategies as the only independent variable. The coefficient of determination (R square) of 0.401 indicated that the model explained only 40.1% of the variation or change in the dependent variable with the remainder of 58.9 % explained by other factors other than communication strategies. Adjustment of the R square did not change the results substantially, having reduced the explanatory behavior of the predictor to 39.7%.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.633[a]	.401	.397	.416	1.628

a. Predictors: (Constant), Communication Strategies

b. Dependent Variable: Competitiveness

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

Second, the ANOVA output was examined to check whether the proposed model was viable. Results shown revealed that the F-statistic was highly significant (F= 100.471 p<0.05), this showed that the model was valid.

Table 5: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.404	1	17.404	100.471	.000[b]
	Residual	25.983	150	.173		
	Total	43.387	151			

a. Dependent Variable: Competitiveness

b. Predictors: (Constant), Communication Strategies

The model significantly improved the ability to predict competitiveness. Thus, the model was significant.

Regression Coefficients of Competitiveness as explained by Communication Strategies

Results of the regression coefficients presented showed that the estimates of β values and give an individual contribution of a predictor to the model. The β value represented the relationship between competitiveness with the predictor. The positive β value indicated a positive relationship between the predictors and the outcome. The β value for competitiveness (.633) was positive. The positive β values indicated the direction of relationship between predictor and outcome. From the results, the model was then specified as: -

$y= \beta_1 X_1+\varepsilon$……………………….Equation 4

Competitiveness= .633 Communication Strategies + ε

The coefficient of the variable indicated the amount of change one could expect in Competitiveness given a one-unit change in communication strategies basing on the standardized coefficients. Result revealed standardized regression coefficient for Ethical Leadership (β=0.633), implied that an increase of 1 standard deviation in communication strategies was likely to result in 0.633 standard deviations increase in competitiveness. T-test was used to identify whether the predictor was making a significant contribution to the model. When the t-test associated with β value is significant then the predictor is making a significant contribution to the model. The results showed that communication strategies was (t =10.024, P<.05). In this regard the null hypothesis was rejected and alternative accepted that communication strategies significantly affect the competitiveness of insurance companies in Eldoret town.

Table 6: Regression Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1 (Constant)	1.173	.284		4.127	.000		
communication strategies	.671	.067	.633	10.024	.000	1.000	1.000

a. Dependent Variable: Competitiveness

Moderating role of Strategic Capabilities on the effect of Corporate Governance on competitiveness of insurance companies in Eldoret Town, Kenya

From the model summary of multiple regression model, the results showed that all the three predictors (ethical leadership and communication strategies) jointly explained 61.1 per cent variation on competitiveness of insurance companies. This showed that considering the three study independent variables, there is a probability of 61.1% (R^2=0.611) in predicting competitiveness of insurance companies without a moderator. However, with a moderator the variables jointly explained 61.6 % (R^2= 0.616) variation in competitiveness of insurance companies. This implied that when insurance companies embrace corporate governance and proactively formulate policies in support of corporate governance practices, then competitiveness of insurance companies is likely to improve.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Durbin-Watson
1(without moderator)	.782[a]	.611	.606	.336	.611	
2 (With moderator)	.785[b]	.616	.608	.336	.004	1.671

Predictors: (Constant), ethical leadership and communication strategies
Predictors: (Constant), ethical leadership, communication strategies and Strategic capabilities
Dependent Variable: Competitiveness of insurance companies

Table 7 revealed that the F-value of 117.261 and a p-value of 0.00 significant at 5% level of confidence indicated that the overall regression model was significant; hence, the joint contribution of the independent variables was significant in predicting competitiveness of insurance companies is likely to improve. F-value of 79.026 and a p- value of 0.00 significant at 5% level of confidence indicated that the overall regression model was significant, hence, the joint contribution of the independent variables was significant in predicting was significant in predicting Competitiveness of insurance companies is likely to improve in the presence of a moderator. In this regard, we rejected the null hypothesis stating that there is no significant moderating role of strategic capabilities on the effect of corporate governance on competitiveness of insurance companies. Instead, the alternative hypothesis hold true; stating that there is a significant moderating role of strategic capabilities on the effect of corporate governance on competitiveness of insurance companies.

Table 8: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.531	2	13.266	117.261	.000[b]
	Residual	16.856	149	.113		
	Total	43.387	151			
2	Regression	26.712	3	8.904	79.026	.000[c]
	Residual	16.675	148	.113		
	Total	43.387	151			

a. Dependent Variable: Competitiveness of insurance companies
b. Predictors: (Constant), ethical leadership and communication strategies
c. Predictors: (Constant), ethical leadership ,communication strategies and Strategic capabilities

Regression coefficients of on competitiveness of insurance companies as explained by corporate governance and moderated by Strategic capabilities

Results of the regression coefficients presented showed the estimates of Beta values and give an individual contribution of each predictor to the model. The Beta value represented the relationship between with each predictor. The positive Beta values indicate the positive relationship between the predictors and the outcome. The Beta value for ethical leadership (.511) and communication strategies (.408) were all positive without strategic capabilities as a moderator. With strategic capabilities as the moderator the Beta values for ethical leadership (.487) and communication strategies (.397) were also positive. The positive B values indicated the direction of relationship between predictors and outcome. From the results, the model was then be specified as: -

$Y = .511X_1 + .408X_2 + \varepsilon$, ……………Equation 5

$Y = .487X_1{*}Z + .397X_2{*}Z + .\varepsilon$, ……….Equation 6

Where:

X_2= ethical leadership

X_3= communication strategies

T-test was then used to identify whether the predictors were making a significant contribution to the model. When the t-test associated with Beta value is significant then the predictor was making a significant contribution to the model. The results showed that ethical leadership (t =8.982, P<.05) and communication strategies (t =7.172, P <.05) without a moderator. On the other hand, the results showed that with a moderator ethical leadership (t =8.120, P<.05) and communication strategies (t =6.910, P <.05). These findings indicated that all the corporate governance jointly significantly affects competitiveness of insurance companies with or without a moderator.

Table 9: Regression coefficients of Competitiveness of Insurance Companies and predicted by Corporate governance.

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	.643	.237		2.713	.007		
	Leadership	.394	.044	.511	8.982	.000	.806	1.241
	Communication	.432	.060	.408	7.172	.000	.806	1.241
2	(Constant)	.533	.252		2.111	.036		
	Leadership	.375	.046	.487	8.120	.000	.723	1.383
	Communication	.421	.061	.397	6.910	.000	.787	1.271
	Capabilities	.060	.048	.072	1.267	.207	.814	1.229

a. Dependent Variable: Competitiveness of Insurance Companies

Discussion of Results

The main purpose of the study was to assess the moderating role of strategic capabilities on the Relationship between corporate governance and competitiveness of insurance companies in Eldoret Town, Kenya. From the findings all the corporate governance strategies under study were positively affecting competitiveness of insurance companies in Eldoret Town, Kenya. This implies that insurance companies can achieve high level of competitiveness by harnessing and exploiting their corporate governance practices in consort with their strategic capabilities. The findings of this study give credence to this fact.

The study also found out the relationship between ethical leadership and competitiveness of insurance companies in Eldoret Town, Kenya. Ethical leadership remains quintessential in providing guidance to organizational members towards goals and objectives which are beneficial to the organization, its members, other stakeholders and society. This underpinned by the fact that ethical behavior of the leaders has been acknowledged for the improved performance and growth of a range of different organizations and institutions such as business organizations, sports teams and religious institutions (Brown & Treviño., 2006; Tseng & Wu, 2017). According to the finding of this study which confirms that ethical leadership significantly affect competitiveness of insurance Companies in Eldoret Town t = 11.705 p<0.05. The coefficient of determination (R square) of 0.477 indicates that the model explained only 47.7 % of the variation or change in the affect competitiveness of insurance Companies in Eldoret Town as explained by ethical leadership. Gakure, Gichuhi and Waititu (2014); Tseng and Wu 2017 also found that ethical leadership significantly affects organizational competitiveness. This implies that through ethical leadership the organization can get immune from unethical and destructive organizational practices besides engendering knowledge acquisition of constructive practices for competitiveness. In this regard there is no second opinion to the notion that ethical leaders are fair and epitomize moral behavior which is an element in the success of competitive organizations. Thus, insurance companies are under obligation to strengthen their ethics policies besides for positive brand image as a source of competitiveness. Therefore, a solid code of ethics should remain inherent in strategic components and processes of insurance companies in order to guide the leadership and employees in their decision making and action all in an effort to secure and sustain competitiveness by crystallizing their brand identity. This argument and findings resonate with Freeman's stakeholder theory which perceives that businesses are responsible for more than profit maximization for shareholders. In this regard the organizations ethical leadership should take cognizance of the interests of the stake holders besides mitigating the conflict of interest of the stake holders through their moral structures.

The study analyzed the relationship between communication strategies and competitiveness of insurance companies in Eldoret Town, Kenya. A communication strategy is one of the most effective means of developing competitiveness for an organization, but many managers are unsure of how to go about it. Although companies are aware of the importance of communication, far less attention is paid to promoting the use of effective communication within and outside the organization as compared to other factors. Strategies for managing effective communication can also be used in a wide range of organizational contexts including communication with multicultural team members, forming alliances with international companies, worldwide telemarketing and customer communication, negotiations, mergers and acquisitions (Nwabueze & Mileski, 2018). From the finding of the current study provides sufficient ground for rejection of null hypotheses and accepting alternate hypotheses that communication strategies significantly affect competitiveness of insurance Companies in Eldoret Town with t = 10.024 and P<0.05. The coefficient of determination (R square) of 0.401 indicated that the communication strategies explained 40.1 % of the variation or change in the competitiveness of insurance companies in Eldoret Town, Kenya. This finding is in support of the findings of Seo and Cho(2016), Ngozi and Ifeoma (2015) who found a positive link between communication strategies and organizational competitiveness and performance besides recommending that there is need for every organization to endeavor and make effective communication an integral part of its management strategies. These findings take cognizance of Porter theory cited in Chew (2015) which stated that resources are not valuable in and of themselves, but because they allow firms to perform activities that create advantages in particular markets when used strategically. Thus, communication strategies enhance a strategic engagement of employees

The Strategic Journal of Business & Change Management. ISSN 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

discretionary behaviour for taking advantage of particular markets. The implications of this result is that the organization may acquire competitiveness by embracing communication strategies. These findings call for a cultural mandate, in which players within and outside the organization perceive communication strategies as open and clear or satisfactory must reciprocate through their positive behavioral outcomes for competitiveness.

The study examined the moderating role of strategic capabilities on the Relationship between corporate governance and competitiveness of insurance companies in Eldoret Town, Kenya. Corporate governance and ownership influence how managers develop internal routines how firms' contract with external entities and how they ultimately create value. Adoption of corporate governance is of great necessity for achieving competitiveness through financial and administrative performance. According to the findings of the study the three predictors (corporate social responsibility, ethical leadership and communication strategies) jointly explained 64.2 per cent variation on competitiveness of insurance companies. F-value of 88.530 and a p-value of 0.00 significant at 5% level of confidence indicate that the overall regression model is significant; hence, the joint contribution of the independent variables was significant in predicting competitiveness of insurance companies is likely to improve. Thus, corporate governance significantly affects competitiveness of insurance companies in Eldoret Town. Jamali, Safieddine and Rabbath, (2008); Said, (2009) are in support of the findings of the current study that the higher the conformance to good corporate governance practices, the stronger is the firm's competitiveness. However the findings are a dspatch from the findings which have established a negative relationship (Bhagat & Bolton, 2008; Brown & Caylor, 2004;Hutchinson & Gul, 2004), and others which could not establish any relationship (Singh & Davidson, 2003). However according to the contingency perspective, most relation- ships between two variables are influenced by other variables (Boyd, Takacs, Hitt, Bergh & Ketchen, 2012). Thus the current study found a significant moderating effect of strategic capabilities on the effect of corporate governance on competitiveness of insurance companies in Eldoret Town, Kenya. From multiple regression results the value of F=68.680, P<0.05 in table 9. These results are providing sufficient ground for rejection of null hypotheses and accepting alternate hypotheses. This implies the organizational corporate governance should in consonance with organizations strategic capabilities in order to remain competitive. This finding is premised on Porters five forces model, stakeholder's theory and agency theory

CONCLUSION AND RECOMMENDATION

From the findings, this study made a number of conclusions. The study explored the relationship between the corporate governance practices such as: corporate social responsibilities, ethical leadership and communication strategies on competitiveness of insurance companies; the study concluded that these practices are key in enhancing the competitiveness of insurance companies. This was evidenced by the fact that these constructs jointly and independently affect to some magnitude competitiveness of insurance companies as per the study findings. The effect of all the constructs of corporate governance positively and significantly affects competitiveness of insurance companies. This implied all the organizational corporate governance practices as corporate social responsibilities, ethical leadership and communication strategies should be in consonance with organizations strategic capabilities in order to remain competitive.

In view of the findings as well as the conclusion deduced from the study some recommendations were made. Insurance companies are under obligation to strengthen their ethics policies, Communication strategies besides other corporate governance practices for positive brand image as a source of competitive advantage. Insurance companies are under obligation to strengthen their ethics policies besides for positive brand image as a source of competitiveness. Therefore, a solid code of ethics should remain inherent in strategic components and processes of insurance companies in order to guide the leadership and employees in their decision making and action all in an effort to secure and sustain competitiveness by crystallizing their brand identity. Therefore, a solid code of ethics should remain inherent in strategic components and processes of insurance companies in order to guide decision making and action all in an effort to secure and sustain competitiveness. The insurance companies should develop a cultural mandate, in which players within and outside the organization perceive communication strategies as open and clear or satisfactory and a must reciprocate through their positive behavioral outcomes for competitiveness. The management of insurance companies should pay high premiums in formulating and implementing corporate governance practices in tune with strategic capabilities to effectively enhance their competitiveness.

REFERENCES

Abu, S. (2014). Measuring the Impact of Implementing the Principles of Corporate Governance in attracting Foreign Investments: Field Evidences from Jordanian Environment. *Jazan University magazine-Humanities*, 3(1),36-57.

Afure, A. V., Ovbiebo, E., & Evbota, C. I. (2015). Corporate board diversity and audit quality . *Journal of accounting, business and social sciences* , 1(2),213-242.

Alaqralh, I. (2008). What is the availability of governance characteristics dimensions and its impact in the performance of employees in Ministry of Interior. *unpublished Master Thesis, Mutah University,*

Andersén, J. (2011). Strategic resources and firm performance . *Management Decision*, 49(1), 87-98.

Ansoff, H. I. (1970). *Corporate strategy: An analytic approach to business policy for growth and expansion.* Penguin Books.

Araniyar, C. I., & Chize, J. (2017). Corporate Governance Disclosure in Developing Countries: A Comparative Analysis in Nigerian and South African Banks. *SAGE Open*, 1 –17.

Armitage, D., Marschke, M., & Plummer, R. (2008). Adaptive co-management and the paradox of learning. *Global environmental change*, 18(1), 86-98.

Arora, P., & Dharwadkar, R. (2011). Corporate governance and corporate social responsibility (CSR): The moderating roles of attainment discrepancy and organization slack. Corporate governance. *an international review*, 19(2), 136-152.

Ayandele, I. A., &Isichei, E. E. (2013). Corporate Governance Parctices and Chanllenges in Africa . *European Journal of Business and Management* , 5(4),345-383.

Aymn, S., & Zamel, A. (2015). The Impact of Corporate Governance in Achieving Competitive Advantage- A Field Study of Jordanian Pharmaceutical Companies . *European Journal of Business and Management* , 7(35), 312-343 .

Barlow, J. (2016). *Corporate Governance Best Practices*. Retrieved 05 09, 2019, from www.boardeffect.com

Basharat, J., Mohammed, Y. A., Sujata, K., Kamran, S., & Hafiz, H. T. (2018). Ethical leadership, trust in leader and creativity: The mediated mechanism and an interacting effect. *Journal of Management & Organization,* 24(3),212-244.

Beurden, P., & Gossling, T. (2008). The Worth of Values – A Literature Review on the Relation Between Corporate Social and Financial Performance. *Journal of Business Ethics*, 82(4), 407-424.

Brown, L. D., & Caylor, M. L. (2004). Corporate governance and firm performance. *Available at SSRN 586423.*

Brown, M. E., & Treviño, L. K. (2006). Ethical leadership: A review and future directions. *The leadership quarterly*, 17(6), 595-616.

Brown, M. E., Treviño, L. K., & Harrison, D. A. (2005). Ethical leadership: A social learning perspec-tive for construct development and testing. *Organizational Behavior and Human Decision Processes*, 97(2), 117-134.

Campbell, K. S. (2006). *Thinking and interacting like a leader: The TILL system for effective interpersonal communication.* Chicago, IL: Parlay Press. .

Čedomir, L., Gordana, L., & Nina, M. (2013). *Corporate governance and competitive capability in serbian companies*. Retrieved 02 26, 2019, from semanticscholar.org

Chen, J. (2019). *Corporate Governance Definition*. Retrieved from www.investopedia.com

Daily, C., & Dalton, D. (1994). "The Relationship between Governance Structure and Corporate Performance in Entrepreneurial Firms. *Journal of Business Venturing,* , 7(5), 375-386. .

Daniel, R. G., & Joana, L. F. (2011). Promoting a path for organizational competitiveness: the role of internal communication. *Escola Superior de Educação - Instituto Politécnico de Coimbra*.

De Hoogh, A. H., & Den Hartog, D. N. (2008). Ethical and despotic leadership, relationships with leader's social responsibility, top management team effectiveness and subordinates' optimism: A multi-method study. *The Leadership Quarterly*, 19(3), 297-311.

Denscombe, M. (2014). *The good research guide: for small-scale social research projects.* McGraw-Hill Education (UK).

Enriqueta, V. (2009). *How to Develop a Communication Strategy*. Retrieved 05 14, 2019, from www.thecompassforsbc.org

Epstein, M. J. (2018). *Making sustainability work: Best practices in managing and measuring corporate social, environmental and economic impacts.* Routledge.

Erasmus. (2019). *Corporate Governance and Competitiveness* . Retrieved 06 27, 2019, from www.erim.eur.nl

Erkens, D. H., Hung, M., & Matos, P. (2012). Corporate governance in the 2007–2008 financial crisis: Evidence from financial institutions worldwide. *Journal of corporate finance*, 18(2), 389-411.

Fátima, E. B., João, V. L., Mário, G. A., & Paulo, C. S. (2013). *Organizational Capabilities, Strategic Orientation, Strategy Formulation Quality, Strategy Implementation and Organizational Performance in Brazilian Textile Industries*. Retrieved 06 26, 2019, from semanticscholar.org

Goertz, G. (2006). *Social science concepts: A user's guide.* Princeton University Press.

Habermas, J. (2015). *Between facts and norms: Contributions to a discourse theory of law and democracy.* John Wiley & Sons.

Hair, F., Money, A. S., & Page, M. (2007). *Research methods for business.*

Hartman, D. (2019). *What Is Strategic Capability?* Retrieved 06 26, 2019, from smallbusiness.chron.com

Hassan, A. T. (2011). Exploratory evaluation of the impact of regulation on the practice of corporate governance in Nigerian banks.

Hearn, B. (2011). 'The impact of corporate governance measures on the performance of West African IPO firms',. *Emerging Markets Review* , 12(4), 130–151.

Hossein, R. D., & Fatemeh, N. (2012). Analyzing the Impact of Corporate Governance and Organizational Learning on Strategic Planning Effectiveness (An Empirical practice among some industrial companies in Iran) . *International Journal of Learning & Development* , 2(3),212-240 .

Hutchinson, M., & Gul, F. A. (2004). Investment opportunity set, corporate governance practices and firm performance. *Journal of corporate finance*, 10(4), 595-614.

Investopedia. (2019). *What Is the Role of Agency Theory in Corporate Governance?* . Retrieved 05 13, 2019, from www.investopedia.com

Ishhadat, M. Q., & Abed, A. T. (2012). The Effect of Corporate Governance Principles Adoption in The Institutional Investor's Decisions in Amman Bourse. *Jordan Journal of Business Management* , 8(1),49-78.

Jamali, D., Safieddine, A. M., & Rabbath, M. (2008). Corporate governance and corporate social responsibility synergies and interrelationships. Corporate Governance. *An International Review*, 16(5), 443-459.

Jo, H., & Harjoto, M. A. (2012). The causal effect of corporate governance on corporate social responsibility. *Journal of business ethics*, 106(1), 53-72.

Katee, E. N. (2013). Effect of strategic leadership on the performance of commercial andfinancialstate corporations in Kenya. *Unpublished master thesis, UoN.*

Kemboi, A. (2012). Integration of Corporate Governance in Strategic Management at the Ethics and Anti-Corruption Commission. *(Unpublished MBA Project), University of Nairobi*.

Khandelwal, K. A., & Mohendra, N. (2010). Espoused organizational values, vision, and corporate social responsibility: does it matter to organizational members? *Vikalpa*, 35(3), 19-35.

Kolk, A., & Pinkse, J. (2010). The integration of corporate governance in corporate social responsibility disclosures. Corporate Social Responsibility and Environmental Management. 17(1), 15-26.

Lovelock, C., & Patterson, P. (2015). *Services marketing.* Australia: Pearson.

Margolis, J. D., Elfenbein, H. A., & Walsh, J. P. (2009). Does it pay to be good and does it matter? A meta-analysis of the relationship between corporate social and financial performance. And does it matter.

McConnell, P., & Blacker, K. (2012). Systemic operational risk: the UK payment protection insurance scandal. *The Journal of Operational Risk*, 7(1), 79-106.

Michael, S., Anthony, D., & Robert, W. N. (2007). Capabilities and financial performance: the moderating effect of strategic type. *Journal of the Academy of Marketing Science*, 35(1),18–34.

Onajaefe, D., & Leaning, M. (2007). The Importance of Partnerships: The Relationships Between Small Business, ICT and Local Communities. *Informing Science and Information Technology*, 4(2),725–737 .

Raduan, C. R., Jegak, U., Haslinda, A., & Alimin, I. I. (2009). Management, strategic management theories and the linkage with organizational competitive advantage from the resource-based view. *European Journal of Social Sciences*, 11(3), 402-418.

Ritchie, J., Lewis, J., Nicholls, C. M., & Ormston, R. (2013). *Qualitative research practice: A guide for social science students and researchers.* sage.

Russo, A., & Perrini, F. (2010). Investigating stakeholder theory and social capital: CSR in large firms and SMEs. *Journal of Business ethics*, 91(2), 207-221.

Sadegh, R., Senin, A., & Tourani, A. (2015). Effect of Organizational Factors on University-Industry Collaboration: A Conceptual Model. *Int J Bus Manag 24(3),113-146.*

Solomon, A. (2010). *Corporate governance and accountability.* London, England : John Wiley.

Stefan, W. (2012). *Branded Component Strategies: Ingredient Branding in B2B Markets.*

Stříteská, M., & Kubizňáková, K. (2010). The Impact of Corporate Social Responsibility on Business Competitiveness. *Scientific Papers of the University of Pardubice*, 17, 278-284.

Tabachnick, B., & Fidell, L. (2007). *Using multivariate statistics (5th ed).* Boston: Pearson Education Inc.

Thompson, A., Strickland, A., & Gamble, J. (2008). *Crafting and Executing Strategy:Textsand Readings (16th Edition).* New York: Business Publications.

Tuan, N. P., & Mai, N. T. (2012). A firm analysis level of Supporting Industries in Hanoi City-Vietnam-Application of Resource-based view and industrial organization.

Tuncay, K., & Serap, D. K. (2016). The Effect of Ethical Leadership on Perceived Organizational . *The International Journal of Business &Management* , 368(1),129-158.

Ujunwa, A. (2012). Board characteristics and the financial performance of Nigerian quoted firms. Corporate Governance. *The international journal of business in society*, 12(5), 656-674.

UN. (2013). Rwanda United Nations Development Assistance Plan of 2013-2018. United Nations Rwanda.

Walls, J. L., Berrone, P., & Phan, P. H. (2012). Corporate governance and environmental performance: Is there really a link?*Strategic Management Journal*, 33(8), 885-913.

Walther, M. (2014). *Research Design. In Repatriation to France and Germany (pp. 116-145).* Springer Gabler, Wiesbaden.

Young, M. N., Peng, M. W., Ahlstrom, D., Bruton, G. D., & Jiang, Y. (2008). Corporate governance in emerging economies: A review of the principal–principal perspective. *Journal of management studies*, 45(1), 196-220.

Zott, C., & Amit, R. (2010). Business model design: an activity system perspective. *Long range planning*, 43(2-3), 216-226.