



**CUSTOMER CARE PRACTICES INFLUENCE ON PERFORMANCE OF INSURANCE FIRMS IN KIAMBU COUNTY,
KENYA**

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ABSTRACT

This study investigated the influence of customer care strategies on the performance of insurance firms in Kiambu County, Kenya. The study was underpinned by customer service theory, resource-based theory of the firm, and the role theory of customer service. A descriptive research design was adopted in the study. The study targeted insurance firms in Kiambu County, Kenya. A census method was utilized to identify the respondents. The study made utilization of primary data that was acquired through questionnaires. The Cronbach alpha coefficient test was performed to evaluate the reliability of the questionnaires, and content validity was utilized to assure the validity of the study instrument. To examine quantitative data, descriptive statistics like mean and standard deviation were employed, and the results were displayed as tables and figures. To demonstrate the relationship between the variables, inferential statistics like regression and correlation analysis were employed. The study found that communication to customers, personalized customer relationship, customer training and claims management had a positive significant effect on the performance of insurance firms in Kiambu County, Kenya. The study came to the conclusion that for insurance firms, client communication is the most important element of the customer experience. Personalized engagement holds the key to connecting with insurance customers. Customers have the confidence that in the event of a problem, customer service will be used to increase customer pleasure, which will ultimately result in their contentment. Insurance customers anticipate swift and satisfactory claim resolution from their provider. The results recommended that in order to overcome the difficulties businesses experience, insurance companies should implement customer communication management platforms. Based on the person's demands and circumstances, the insurance providers should offer special deals, advice, and services. To increase their familiarity with their insurance plans and lower the frequency of claims, insurance firms should offer their clients a thorough, individualized experience. Information-intensive procedures can be digitalized to cut costs and speed up turnaround. This will make it possible to comply with regulations, obtain access to more structured data, and access important corporate documents.

Key Words: *Communication to Customers, Personalized Customer Relationship, Customer Care Training, Claims management*

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INTRODUCTION

The success of any specific business initiative is determined by its organizational performance, which demands the capacity to implement plans that are connected to the attainment of institutional goals efficiently and effectively (Randeree & Al Youha, 2019). When compared to the matching planned outputs, organizational performance can be conceptualized the actual result (Tomal & Jones, 2015). Similar to this, performance is characterized as the extent to which is characterized as the extent to which a corporation or social system equipped with a combination of physical assets, intellectual asset, and talents is able to achieve both the short-term and the long-term goals. According to Javier's (2012) theory, an organization's performance is comparable to the economy, efficiency, and effectiveness with which its planned social functions are carried out.

Insurance helps people and businesses achieve financial security by enabling investments and lowering the amount of cash that people and organizations need to shield themselves from unanticipated catastrophes (Chartered Insurance Institute, 2021). Risk is passed to a third party, the insurer/underwriter, for a predetermined price called a premium. Insurance is almost always linked to risk, whether it be related to fire, accidents, health, or life. Thus, life and non-life insurance are the two categories that make up insurance. While non-life insurance consists of auto, health, and accident coverage, life investment includes both protection and investments (Capgemini, 2018).

In Kenya, the concept of insurance was brought by the British colony, where people could use brokers to insure their risks. The foreign-based businesses were connected by this. It wasn't until the middle of the 1980s that brokers and agents began to play a smaller role in the insurance industry (Hodgin Ray, 1988). With more competitors and services entering the market in the 1990s, the insurance industry stabilized. Due to the intense competition in the Kenyan insurance market, businesses tend to invest

in strong skills to ensure that their performance is superior to that of their rivals. However, this sector is facing various setbacks mainly low penetration and uptake of insurance. It has been suggested that one strategy of dealing with this challenge is by developing organizational capabilities, one of which being marketing capabilities (Kogo & Kimencu, 2018).

Kenya has 58 insurers and reinsurers, and CIC, Jubilee, Britam, ICEA Lion, and APA insurance, among others, lead the industry. 60% of the gross written premiums in the sector are for general insurance, which dominates the market. 2020 Association of Kenya Insurers On the strength of a stronger economy and accompanying growth in insurance premiums, the sector is anticipated to have sustained moderate expansion. The industry face challenges that affect performance like fraudulent claims especially in medical and motor claims; increased loss ratios; cut throat competition; dwindling trust from insurance consumers; regional regulators according to (Association of Kenya, IRA H1; 2021). Despite there being steady growth in the Kenyan insurance industry, the Authority continues to focus on the following strategic issues to improve on performance standards, growth and market penetration; regulatory and supervisory measures, consumer protection, customer care and service, delivery and upgrade of ISO standards, rolling out new industry programs (IRA, 2018).

Customer care practices describe the process undertaken by organization in taking care of their customers in a positive manner. A customer care project in any organization leads to a comprehension of the current situation of the organization customer care and how it is delivered and by all means using qualified trained employees. It provides a framework comprising of a set of guidelines under which customer care decisions are made. It also identifies opportunities for improvement of customer care; and helps implement and deliver a customer care approaches that offers calculated direction for a business firm

(Maina, 2013). A customer care practice is a thorough plan for handling client interactions. It makes it possible for you to provide a consistent customer experience throughout the entire client journey. Better client experiences lead to a more loyal customer base. Regular customers give business more income and refer business to their family and colleagues.

The effectiveness and efficiency of an organization in converting the available input resources into high-quality outcomes in the form of goods and services is indicated by organizational performance (Namada 2017). It is an indication that knowledge and resources have been used effectively to corporate operations, procedures, and engagements.

Schreder (2015) asserts that organizational performance is an indicator of how successfully an organization has carried out its plan and the usefulness of the information acquired through the organizational learning process to its operations.

According to IRA report (2018), there are 49 regulated insurance companies in Kenya. Six insurance companies are listed in Nairobi Stock Exchange (NSE) and two reinsurance companies, of these companies 31 companies have branches in Kiambu County. In 2020, Kiambu County accounted for 1.8% of the total gross direct premium coming in third country wide after Nairobi and Mombasa counties respectively (IRA report, 2020)

Statement of the Problem

The performance of insurance businesses has decreased dramatically from 6.5 to 5.2 percent in 2017 and 2018, respectively, notwithstanding the considerable contribution the insurance industry makes to the support of the national economy (KNBS, 2019). This gloomy situation has been made worse by the trend of declining insurance uptake, which fell from a high of 2.88 percent in 2014 to a low of 2.4% in 2018, a substantial departure from the world average insurance uptake of 6.1% (IRA, 2019; KNBS, 2019). Additionally, IRA (2019) reported that the insurance sector saw an increase

in customer complaints of 5% from 2,126 in 2017 to 2,233 in 2018. Erroneous deductions, delayed settlement, and unsatisfying offers were the main issues in this case. Numerous research projects have been carried out in the nation's sector.

Lungu (2020) analyzed the correlation between customer care practices and performance of Information Technology Companies operating in Romania. The analysis was not conclusive on whether customer care practices improved on firm performance. The study also had a small sample of 40 respondents. Medase and Barasa (2019) explored the mediating effects of customer care practices in order to better understand how absorptive ability and marketing capacities relate to the commercialization of innovation in Nigerian service and manufacturing enterprises. The research found that customer care procedures had a favorable influence on the connection between the independent and dependent variables.

Wamwati (2007) conducted a further investigation into the crucial success elements for the Kenyan insurance sector. The study's vast scope prevented it from conducting a rigorous analysis of marketing tactics and how they affected performance. The innovation tactics used by Kenyan insurance businesses were investigated by Karanja (2008). This study provided us with information, but it did not establish a link between such innovations and business performance.

Aswani (2010) conducted research on how marketing tactics affected the performance of Kenyan insurance companies. He concluded that product innovation, marketing intelligence, and sales promotion had each a positive correlation with the firm's performance. He recommended that research should be conducted on the strategies that can increase customer retention and loyalty as well as lasting relationships with the customers. Several studies on customer care have also been conducted. Gichu (2012) conducted a study on customer care as a competitive strategy used by Highchem Pharmaceuticals Ltd, Kenya.

Tamming (2012) investigated the impact of customer care services on organizational performance: the instance of the Gracia Gardens hotel in Nairobi. In Kenya's life insurance market, Maina (2013) performed research on the factors that influence client satisfaction. Olatunji and Sarat (2013) conducted research on the effects of customer service relationships on organizational growth, using MTN Communication Ltd. as a case study. In Mogadishu, Somalia, Abdulkadir and Gichinga (2016) explored the effects of customer service on organizational performance of telecommunications enterprises.

Mazviona and Mbakisi Dube (2017) explored the factors that affect insurance firm performance in Zimbabwe. The findings suggested that while leverage and liquidity have a beneficial impact on performance, expense ratio, claims ratio, and firm size had a significant detrimental effect on insurance companies. Locally, a study on life insurance products was done by Odemba (2018). The study found that unsatisfactory customer service and the complexity of life insurance policies had an impact on the acceptability of insurance products in Kenya. There have only been a few research conducted in emerging countries like Kenya; the majority of studies have focused mostly on industrialized nations. Therefore, it is insufficient to use the available materials to determine what influences organizational performance in Kenya's insurance sector.

There is a contextual gap due to the reason that neither of these research focused on the performance and customer care methods of insurance firms. This study sought to fill this existing research gap by studying on customer care practices and performance of insurance firms in Kenya, with attention on insurance firms that operates in Kiambu County, Kenya.

Objectives of the Study

The general objective of the study was to investigate into the effects of customer care practices on organizational performance of

insurance firms in Kiambu County, Kenya. The study's specific objectives were:

- To establish the effects of communication to customers on performance of insurance firms in Kiambu County, Kenya.
- To determine the effects of personalized customer relationship on performance of insurance firms in Kiambu County, Kenya.
- To ascertain the effects of customer care training on performance of insurance firms in Kiambu County, Kenya
- To establish the effects of claims management on performance of insurance firms in Kiambu County, Kenya.

LITERATURE REVIEW

Theoretical Literature Review

Customer Service Theory

The theory was first introduced by the father of economic, Adam Smith, in his 1776 book, *The Wealth of Nations*, where he claimed that the fundamental tenet of competitiveness is customer service. This concept was later formulated into a theory of customer service by Kamin (2006). Customer service theory states that for a firm to have an effective customer service system, there are elements of customer service that must be incorporated. They are the elements at the center of what makes it who it is. These qualities of good customer service are the characteristics of customer service. These are also the ways we make sure we're offering excellent customer service. Customer service that results in satisfaction has five key components. When providing services like deliveries, the business must be dependable. It must be extremely receptive to consumer needs, thus it must work to become flexible. The client must see evidence of the firm's constancy in attending to needs and fulfilling its half of the bargain. Business professionals must establish true interactions and relationships with clients and customers if they hope to keep them as clients. The company's "physical" aspects must also be in working order. The basic characteristics and

environment of the physical plant are covered here. Warmth, welcome, and brightness must be emphasized. To conduct business, the environment should be calm.

Resource Based Theory of the Firm

This theory was propagated by Penrose (1959) who advocated for an effective way of managing firms' resources, taking advantage of productive opportunities and accommodating diversification strategies. Penrose (1959) focused on the ideas of opportunity cost and economic profit when creating this theory. Penrose (1959) highlighted the strategic variables that could have an impact on the financial success of both expansion and diversification. In order for a company to initiate expansion effectively and profitably, there must be a balance between the rate of growth and the capacity of managerial services. The path of growth is influenced by the company's ability to become profitable and maintain its competitiveness in a new market.

Expectancy Disconfirmation Theory

Oliver conceptualized the paradigm (1980, 1977). It came from an investigation into what contributes to happiness (Anderson and Sullivan, 1993). The traditional method of studying satisfaction compares previous expectations with actual performance. According to this hypothesis, a comparison between anticipation and outcome performance yields the customer's opinion of overall satisfaction. Anticipation and outcome performance are two critical elements that could affect judgment and the contentment assessment since customer satisfaction is one of the most crucial elements to predict a client's likelihood to make a purchase. Another key area of consumer behavior research is to look into how satisfied customers are with the items. The theory suggests that buyers evaluate the real goods or service before making judgments about how satisfied they are. Additionally, it implies that customers evaluate the real product or service before making satisfaction decisions. The confirmation/disconfirmation process, which

usually refers to this comparison of expectations and execution of the good or service, is at the core of the satisfaction process. Before making a purchase of a good or service, consumers would first set their expectations. Second, expectations have an impact on the amount of perceived quality that results from using the products or services. Assimilation will take place and perceived performance will be raised to match expectations if it is only marginally below desired performance. If perceived performance significantly falls short of expectations, contrast will occur and the perceived performance shortfall will be emphasized.

Empirical Literature Review

Communication is a paramount aspect in every organization. It has a key role of creating oneness between all the work units so as to deliver success as a whole to the organization. Musheke and Phiri (2021) utilized the systems theory to conduct an investigation into the impact of effective customer communication on organizational performance. The study's purposes were to identify the components of effective communication utilizing systems theory and to create a communication model that takes these features into consideration to improve organizational performance. They applied the quantitative approach to ascertain and analyze data which was collected using questionnaire. The findings demonstrate that there was no significant association between management and the channels utilized for communication, but there was a substantial relationship between the channels and effective communication.

Soltani, Zareie, Milani, and Navimipour (2018) explored the influence of customer relationship management on organizational performance. Customer relationship management was the independent variable, characterized in terms of technological competency, organizational effectiveness, customer focus, and customer information management. Organizational success as characterized in terms of customer happiness, customer orientation, and profitability was the dependent variable. Examining the impact of

effective customer relationship management on the organization's performance was the study's main goal. The 260 Iranian personnel of the East Azerbaijan Tax Administration were the intended audience. Structured questionnaires with a Likert scale were utilized to gather the data. The partial least squares test was utilized to analyze the data. The study's conclusions showed that customer focus, organizational effectiveness, information technology, and customer information management all had a substantial and favorable effect on the success of customer relationship management. The study suggested that by improving successful implementation of customer relationship management, an organization performance will also improve as all variables under study directly influence organizational performance. The study recommended that in future research, longitudinal research method and samples which are larger should be used to facilitate better results and generalizations. Further, data may be collected from target population that is different from the tax administration field. In the current study, data will be collected from the insurance sector. In addition, the variable of customer relationship will be investigated jointly with other factors that might influence organization performance.

Gichu (2012) did a research on customer service training as a method of competitive advantage by Highchem Pharmaceuticals Ltd Kenya. The study's goal was to ascertain whether customer service is used as a competitive tactic. The study discovered that the business had set itself apart from the competition by focusing on providing excellent customer service, which had paid off for the business by giving it an advantage over rivals. It also found out that organization culture, leadership and organization structure play a key role in implementing customer care training as a competitive strategy. The study recommended that company managers should ensure that effective customer care training is conducted to all the staff, especially those who interact with the customers in one way or the other, so as to raise the standard of customer service provided to clients, which

ultimately results in an improvement in the business's general performance.

Olugusen (2020) explored the impact of claims management on the profitability of Nigerian insurance corporations. The study's goal was to experimentally evaluate how claims management affected Nigeria's non-life insurance businesses. The independent variable was claims management which was conceptualized in terms of claims reporting process and time taken to process the claims; while the independent variable was profitability conceptualized by the net claims, management expenses and loss ratio. The study used a longitudinal design, in which the same sample is monitored in the long run, and several assertions are made. Correlation analysis was employed to test hypotheses. The 41 non-life insurance businesses in Nigeria made up the target population. According to the study's findings, there is no connection between non-life insurance businesses' profitability and claims handling. The study findings also revealed that effective and efficiency claims management improves service delivery to customers, insurance patronage, and revenue generation. The study recommended that the claims management department be appropriately organized and staffed with technical, experienced individuals in order to manage the claims in a way that will encourage claimants to come back for repeat business or referrals, which will result in profits for the insurance firms. Insurance companies should empower their underwriting staff through trainings. This study focused only on non-life insurance companies. It would be appropriate to undertake a study in which both to undertake a study in which both the life and non-life insurance companies are involved so as to make generalizations in the whole insurance industry. Similarly, it would be suitable to carry out a study that incorporates various factors that affect organizational performance. In this study, claims management will be incorporated together with other factors determine their influence on performance of life and non-life insurance firms.

Conceptual Framework

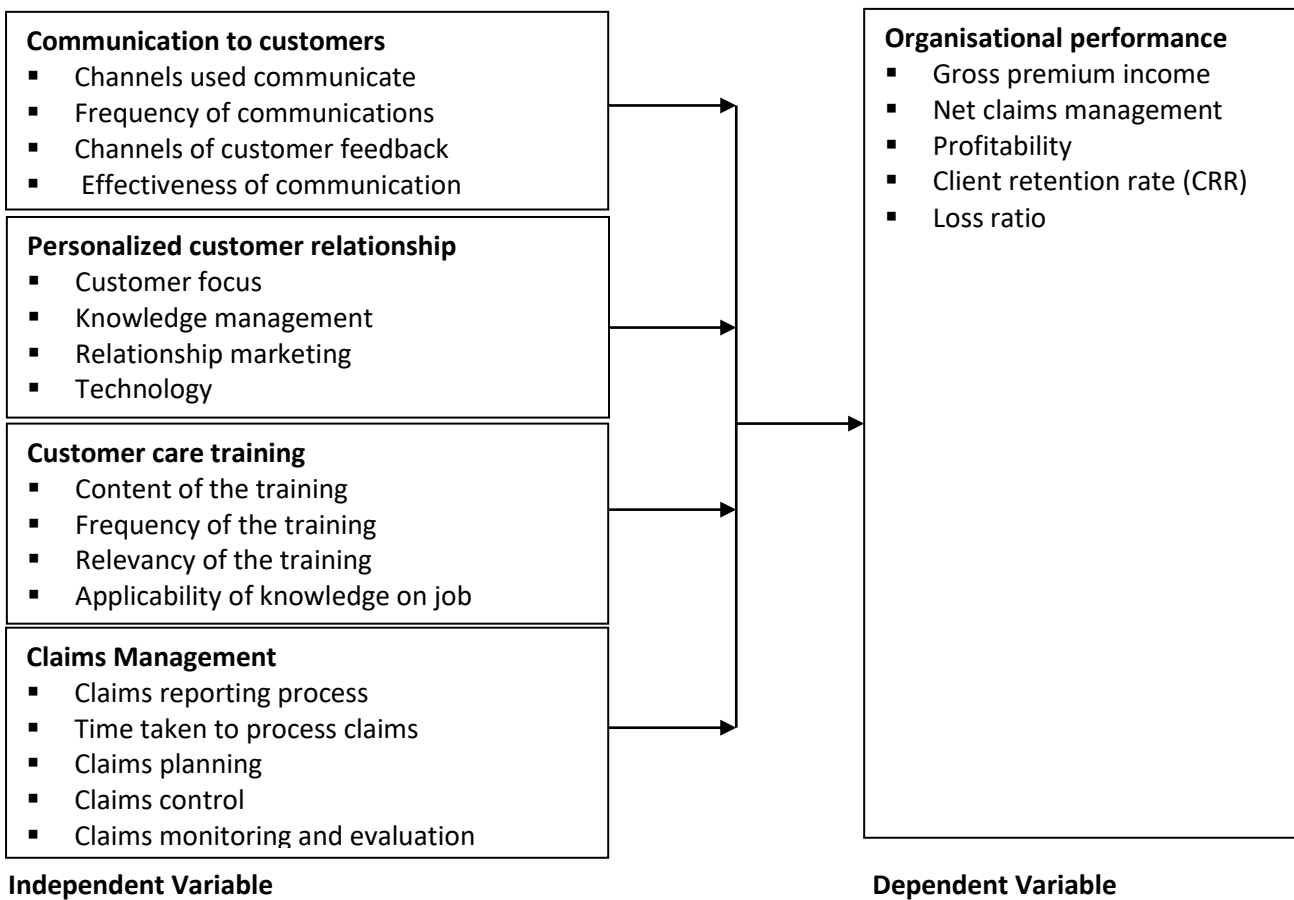


Figure 1: Conceptual Framework

Source: Researcher (2022)

METHODOLOGY

A descriptive survey methodology was employed for the study. In this study the target audience comprised of the insurance firms that operated in Kiambu County. The respondents were branch managers, branch receptionists/customer care personnel at the branch level and direct sales force (DSF agents) of insurance companies in Kiambu County. Association of Kenya Insurers (AKI), (2020) surveyed that there were 31 insurance companies that operated in Kiambu County. The branch managers were custodians of performance data in the firm while receptionists handled customers on daily basis. The direct sales force market insurance products on behalf of the company and they deal directly with the customers. In this study, the researcher employed stratified random sampling.

Detailed questionnaires were employed to gather data. A pilot research was done to assess the validity and dependability of the data gathering instrument. It involved 19 responders which was 10% of the total 185 sample size. The pilot study respondents were selected from insurance firms which operate in Nairobi County, Kenya. Quantitative data was collected on the date. The obtained data was cleaned and examined for consistency, accuracy, and completeness. The SPSS Version 20 was then applied to code, tabulate, and analyze the data. The goals of the research served as the basis for analysis. The utilization of both descriptive and inferential statistics was done. While percentages, means, standard deviations, and variance were included in descriptive statistics, regression analysis and Pearson correlation analysis were included in inferential statistics. The

presentation of quantitative data used tables, pie charts, and graphs. The regression model was as follows.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Whereby

Y = Organizational Performance of insurance firms

X_1 = Communication to customers

X_2 = Service quality

X_3 = Customer care training

X_4 = Customer service delivery

$\beta_1, \beta_2, \beta_3$ and β_4 = Coefficients of determination

ϵ = Error term

FINDINGS AND DISCUSSION

Descriptive Analysis Results

This section presented the descriptive statistics results for the variables studied which included; communication, personalized customer relationship, customer care training and claims management. The results were summarized through Mean (M) and Standard Deviation (SD) and are presented as follows:

Communication to Customers

The results of according to the responders' level of agreement regarding the assertions on the effects of communication to customers on organizational performance of insurance firms in Kiambu County, Kenya were exhibited in Table 1.

Table 1: Communication to Customers

	M	SD
Insurance firms often use the main stream media of TV, radio and newspaper to communicate to their customers	4.12	0.878
Social media has become a frequent way of communicating to customers	4.51	0.390
Insurance firms often make phone calls to communicate to their customer	4.36	0.639
Sending of E-mails to customers is a common thing in insurance firms	3.94	1.058
The effectiveness of communication channels influences the performance of insurance firms	4.55	0.446
Communication to customers influences organizational performance in insurance firms.	4.45	0.547

Source: Research Data (2023)

The results as illustrated in Table 1 implied that the responders strongly agreed on the assertions that the effectiveness of communication channels influences the performance of insurance firms and social media has become a frequent way of communicating to customers as evidenced by mean score of 4.55 and 4.51 discretely with a low variation of response as indicated by 0.446 and 0.390 respectively. The finding agrees with a study result on the impact of effective customer communication on organizational performance was carried out by Musheke and Phiri (2021) using the systems theory which demonstrated that there lacked of a substantial connection between management and the channels utilized for communication, but there was a substantial

relationship between the channels and effective communication.

The results in Table 1, also demonstrated that the responders agreed with the assertions that communication to customers influences organizational performance in insurance firms, Insurance firms often make phone calls to communicate to their customer, Insurance firms often use the main stream media of TV, radio and newspaper to communicate to their customers and that sending of E-mails to customers is a common thing in insurance firms as evidenced by mean score of 4.45, 4.36, 4.12 and 3.94 discretely with a low variation of response as evidenced by standard deviation of 0.547, 0.639, 0.878 and 1.058 discretely. The results agree with Kibe (2014) study

which examined the impact of communication tactics on organizational performance. The study came to the conclusion that effective communication techniques are crucial for good performance.

Personalized Customer Relationship

The results of according to the respondents' level of agreement regarding the assertions on the effects of personalized customer relationship on organizational performance of insurance firms in Kiambu County, Kenya are presented in Table 2.

Table 2: Personalized Customer Relationship

	M	SD
Customer focus directly affects personalized customer relationship	4.19	0.809
Knowledge management of the customer affects personalized customer relationship	4.58	0.416
Relationship marketing influences personalized customer relationship	4.50	0.500
Technology enhances personalized customer relationship	3.83	1.170
Personalized customer relationship influences organizational performance in the insurance firms	4.11	0.887

Source: Research Data (2023)

According to Table 2's results, the responders strongly agreed with the assertion that knowledge management of the customer affects personalized customer relationship and that relationship marketing influences personalized customer relationship as evidenced by mean score of 4.58 and 4.50 respectively with a low variation of response as evidenced by 0.416 and 0.500 discretely. The finding concurs with Soltani, Zareie, Milani, and Navimipour (2018) study which explored the influence of customer relationship management on organizational performance. The study suggested that by improving successful implementation of customer relationship management, an organization performance will also improve as all variables under study directly influence organizational performance.

According to Table 2's results, the responders agreed with the assertion that customer focus directly affects personalized customer relationship,

personalized customer relationship influences organizational performance in the insurance firms and that technology enhances personalized customer relationship as evidenced by mean score of 4.19, 4.11 and 3.83 discretely with a low variation of response as indicated by 0.809, 0.887 and 1.170 respectively. The finding concurs with Shabir, Ghaffar, Nisar & Younas (2016) study which explored the effects of customer relationship management practices on organizational performance under moderation by market turbulence. The findings showed that the use of customer relationship management techniques positively correlated with organizational success.

Customer Training

The results of according to the respondents' level of agreement regarding the assertions on the effects of customer training on organizational performance of insurance firms in Kiambu County, Kenya are exhibited in Table 3.

Table 3: Customer Training

	M	SD
The content of customer care training influences the performance of insurance firm	4.01	0.990
The frequency of customer care training influences the performance of insurance firms	4.55	0.450
Relevancy of the customer care training directly affects customer care service provided to the customers	4.52	0.476
Training on customer care must consider the applicability of the content	3.81	1.188
Customer care training influences organizational performance in insurance firms	3.90	0.091

Source: Research Data (2023)

Table 3's results illustrate that the responders strongly agreed with the assertion that the frequency of customer care training influences the performance of insurance firms and that the relevancy of the customer care training directly affects customer care service provided to the customers as evidenced by mean score of 4.55 and 4.52 discretely with a low variation of response as indicated by 0.450 and 0.476 respectively. The results agree with Gichu (2012) who did a research on customer service training as a method of competitive advantage by Highchem Pharmaceuticals Ltd Kenya. The study discovered that the business had set itself apart from the competition by focusing on providing excellent customer service, which had paid off for the business by giving it an advantage over rivals.

In accordance with the results in Table 3, the responders agreed with the assertion that customer care training influences the performance of insurance firm, customer care training influences organizational performance in insurance firms and

that training on customer care must consider the applicability of the content as evidenced by mean score of 4.01, 3.90 and 3.81 discretely with a low variation of response as indicated by 0.990, 0.091 and 1.188 discretely. The results are in line with a research on customer service and employee development was done by Dotsey in 2020. Evaluating the impacts of staff training on customer service was the study's overarching goal. The study concluded that staff training has become the cornerstone of every successful business and is thus essential for all organizations that seek to maintain their competitiveness in the current world.

Claims Management

The results of according to the respondents' level of agreement regarding the statements on the effects of claims management on organizational performance of insurance firms in Kiambu County, Kenya are displayed in Table 4.

Table 4: Claims Management

	M	SD
Claims reporting process contributes to effective claims management	4.09	0.891
Time taken to process claims influences claims management	3.76	1.240
Claims planning contributes to effective claims management	4.58	0.417
Claims control affects claims management	4.44	0.556
Claims monitoring and evaluation contributes to effective claims management	4.56	0.437
Claims management influences the organization performance of insurance firms	4.53	0.466

Source: Research Data (2023)

The findings in Table 4 illustrate that the responders strongly agreed with the assertion that claims planning contributes to effective claims management, claims monitoring and evaluation contributes to effective claims management and that claims management influences the organization performance of insurance firms as evidenced by mean score of 4.58, 4.56 and 4.53 discretely with a low variation of response as indicated by 0.417, 0.437 and 0.466 discretely. The results agree with Olugusen (2020) study which explored the impact of claims management on the profitability of Nigerian insurance corporations. The

study findings also revealed that effective and efficiency claims management improves service delivery to customers, insurance patronage, and revenue generation.

The findings in Table 4, also illustrate that responders agreed with the claims that control affects claims management, claims reporting process contributes to effective claims management and that time taken to process claims influences claims management as evidenced by mean score of 4.44, 4.09 and 3.76 discretely with a low variation of response as indicated by 0.556, 0.891 and 1.240 discretely. The results agree with

Ntwali, Kituyi & Kengele (2020) study which explored on claims management and financial performance of insurance corporations in Rwanda. The results indicated that the claims management processes are frequently undertaken. Additionally, it revealed a strong favorable association between claims monitoring, evaluation, and ROE and claims planning.

Inferential Statistics Results

Inferential statistics were done utilizing correlation analysis and regression analysis techniques. These were presented as follows.

Correlation Analysis

The relationship between the independent and dependent variables was quantified utilizing correlation analysis. The findings are displayed in Table 5.

Table 5: Correlation Analysis

	Communication to customers	Personalized customer relationship	Customer training	Claims management	Performance
Communication to Customers: Pearson correlation	1				
Sig. (2-tailed)					
N	180				
Personalized customer Relationship: Pearson correlation	0.294	1			
Sig. (2-tailed)	1.09				
N	180	180			
Customer Training: Pearson correlation	0.412	0.369	1		
Sig. (2-tailed)	0.621	0.132			
N	180	180	180		
Claims Management: Pearson correlation	0.512	0.338	0.473	1	
Sig. (2-tailed)	0.022	0.408	0.117		
N	180	180	180	180	
Performance Pearson correlation	0.759	0.834	0.793	0.807	1
Sig. (2-tailed)	0.000	0.000	0.000	0.000	
N	180	180	180	180	180

Source: Research Data (2023)

The findings in Table 5 showed that Pearson r correlation value between communication to customers and performance was 0.759(P=0.000), personalized customer relationship 0.834(P=0.000), customer training 0.793(P=0.000) and claims management 0.807(P=0.000). This means that communication to customers, personalized customer relationship, customer training and claims

management had a favourable and substantial correlation with the performance of insurance firms in Kiambu County, Kenya.

Regression Analysis

Tables 6, 7, and 8 highlight the results of regression analysis, which attempted to ascertain the degree to which independent variables influenced the dependent.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.719	.825	.819	0.934

Source: Research Data (2023)

The analysis indicates the model summary with a Pearson correlation of 0.719, indicating that there was a strong link between customer care services and performance of insurance firms in Kiambu County Kenya. The coefficient of determination (R Square) is 0.825. This reveals that communication to customers, personalized customer relationship, customer training and claims management

examined in this study jointly account for 82.5% variation in performance of insurance firms in Kiambu County Kenya. The findings also implied that 17.5% of the variations in performance of insurance firms in Kiambu County Kenya was explained by other factors not considered in the empirical model summary.

Table 7: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	102.085	4	25.521	87.044	.000
	Residual	51.310	175	0.2932		
	Total	153.395	179			

Source: Research Data (2023)

The results as exhibited in Table 7 indicated that the F-statistic value was 87.044 which is greater than the statistical mean value of 25.521 and the p-value was 0.000 which was less than the assumed level of

significance at 0.05. This confirms that the model had a goodness of fit. Therefore, it was concluded that the whole model was statistically significant.

Table 8: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	.664	.118			5.627	.000
Communication to customers	.807	.231	4.091		3.494	.001
Personalized customer relationship	.713	.134	1.821		5.321	.000
Customer training	.786	.208	3.745		3.779	.001
Claims management	.674	.106	2.167		6.358	.000

Source: Research Data (2023)

The data shown in Table 8 suggest that the study's ideal equation can now be found as:

$$\text{Performance} = 0.664 + 0.807(\text{communication to customers} + 0.713(\text{personalized customer relationship}) + 0.786(\text{customer training}) + 0.674(\text{claims management}))$$

The results in further indicated that the communication to customers had a regression coefficient of 0.807, $\beta=4.091$, p-value =0.001. Since p-value was less than 0.05, the study observed that communication to customers had a favourable substantial impact on the performance of insurance

firms in Kiambu County, Kenya. The results are consistent with Beryl, Otieno, Waiganjo, & Njeru (2015) study which assessed the impact of customer communication on organizational performance in Kenya's horticultural sector. The study came to the conclusion that communication enhances operational effectiveness, which enhances organizational performance.

The study revealed that personalized customer relationship had a regression coefficient of 0.713, $\beta=1.821$, p-value =0.000. Since p-value was less than 0.05, the study proved that personalized

customer relationship had a favourable, substantial impact on the performance of insurance firms in Kiambu County, Kenya. The finding agree with Shabir, Ghaffar, Nisar & Younas (2016) study which explored the effects of customer relationship management practices on organizational performance under moderation by market turbulence. The findings showed that the utilization of customer relationship management techniques positively correlated with organizational success.

The study found that customer training had a regression coefficient of 0.786, $\beta=3.745$, p-value =0.001. Since p-value was less than 0.05, the study found that customer training had a favourable significant impact on the performance of insurance firms in Kiambu County, Kenya. The results agree with Gichu (2012) who did a research on customer service training as a method of competitive advantage by Highchem Pharmaceuticals Ltd Kenya. The study discovered that the business had set itself apart from the competition by focusing on providing excellent customer service, which had paid off for the business by giving it an advantage over rivals.

The study examined that claims management had a regression coefficient of 0.674, $\beta=2.167$, p-value =0.000. Since p-value was less than 0.05, the study assessed that claims management had a favourable significant impact on the performance of insurance firms in Kiambu County, Kenya. The results agree with Ntwali, Kituyi & Kengele (2020) study which explored on claims management and financial performance of insurance companies in Rwanda. The results indicated that the claims management processes are frequently undertaken. Additionally, it revealed a strong favorable association between claims monitoring, evaluation, and ROE and claims planning.

CONCLUSIONS AND RECOMMENDATIONS

The study came to the conclusion that communication with consumers is the most important component of the customer experience for insurance businesses. Because insurance firms

frequently fail to provide customers with timely, accurate information on the value of their products, customers frequently transfer to a rival. Consumers are curious about the specifics of managing claims, and they require prompt responses to their inquiries. Customers typically look for insurance policies at the lowest price point, so it is crucial to communicate the insurance product's real worth to them.

The study concluded that personalized engagement holds the key to connecting with insurance customers and maintaining positive relationships with existing customers is vital because it leads to repeat business from the customers, loyal brand advocates etc. The insurance sector has started to transition to a consumer-centric model that emphasizes customer experience. Personalized customer relationship has led to better customized channel engagement based on customer preferences and support for multiple teams in multiple locations.

The study concluded that the goal of customer service is to raise client satisfaction because doing so will increase clients' contentment and give them confidence that any issues would be dealt with skillfully. Consumers will always favour a location that meets their needs. Customer acceptance of your goods and services will increase as a result of your promotion of excellent customer service. They will be motivated to work harder and provide the greatest customer service if their employers care about their personal growth and career development through varied training. Employee morale can be raised through training, enabling them to confidently service consumers.

The study concluded that insurance customers expect a provider to rapidly and satisfactorily resolve their claims. Settlement of claims too rapidly raises the likelihood that a corporation will pay out on more counterfeit claims. How much of a customer's premium rate goes toward covering the administrative costs of the insurance company is ascertained by cost monitoring via the claims management process. Cut down on the time

required to process insurance claims as a means of reducing customer complaints and enhancing service. Hence, it makes good business sense to maintain client satisfaction through an efficient claims management procedure.

The study recommended that the customer communication management platforms should be used by the insurance companies in order to address the issues businesses confront, offer solutions to change the way insurance firms communicate, and contribute to improving the level of content and communications as a whole. The insurance companies should construct reusable content in the library that enables quicker creation of new templates, enable changes to be made more quickly, more quickly, and cost-effectively.

The study recommended that insurance providers ought to offer special deals, advice, and services based on a person's needs and circumstances. The companies should offer regular customer communications to make customers feel appreciated. The study also recommended that the Insurance companies should provide a personalized customer journey to foster strong relationships and customer satisfaction. The companies should have a timely communication and resolution can improve customer satisfaction and loyalty.

The study recommended that insurance firms should offer their consumers a thorough, individualized experience so as increase their acquaintance with their insurance plans and decrease the frequency of claims. Consider their target demographic, simplify processes to put the needs of the client first, and leverage technology to give customers easy access to insurance

information. Develop programs that monitor consumer behaviour and use that data to provide incentives for lower rates. Customers should be able to ask questions at the convenience of their homes thanks to the companies' availability and flexibility.

The study recommended that Information-intensive procedures can be digitalized to cut costs and speed up turnaround. As a result, there will be a chance to comply with regulations, increase access to organized data, and obtain important business documents. In order to facilitate customer interactions during the claims processing process, businesses should provide fast communication. Customers will feel more safe if you send them regular updates on their claims' status. The businesses should be transparent, which calls for a proactive, open environment and highly accurate information that is shared with their clients.

Suggestions for Further Studies

The current study focused on the effects of customer care practices on organizational performance of insurance firms in Kiambu County, Kenya. The customer care practices adopted for the study included; communication to customers, personalized customer relationship, customer training and claims management. However, the study identified a gap of 17.5% that accounted for other variables not studied. Therefore, there is need to carry out a study that can address the identified gap. In addition, the study focused on the performance of insurance firms in Kiambu County, Kenya. Therefore, the study suggests that similar study should be done in that focus on the performance of insurance firms in other Counties in Kenya.

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