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**KNOWLEDGE MANAGEMENT CAPABILITIES AND STRATEGY IMPLEMENTATION IN INSURANCE COMPANIES
IN KENYA**

Eva Mochama & Dr. Godfrey K. Makau, PhD

KNOWLEDGE MANAGEMENT CAPABILITIES AND STRATEGY IMPLEMENTATION IN INSURANCE COMPANIES IN KENYA

¹Mochama, E., & ²Makau, G. K.

¹ Master Student, Jomo Kenyatta University of Agriculture and Technology, Nairobi, Kenya

² Lecturer, Jomo Kenyatta University of Agriculture and Technology, Nairobi, Kenya

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ABSTRACT

The study administered 50 questionnaires to all the respondents, with only 46 returning their questionnaire, representing a 94.5% response rate, which was statistically acceptable for generalization. The adjusted R², in this context, quantified the predictive capacity of the study model. The result revealed an adjusted R² value of 0.775, signifying that 77.5% of the variations in strategy implementation within Kenyan insurance companies can be attributed to infrastructure capabilities, process capabilities, relational capabilities, and protection capabilities. This leaves 22.5% unaccounted for, indicating other factors at play. The probability return value of 0.00 in the table above indicates a strong, statistically significant link. This number shows how expressively well-predicted it is about how infrastructure, process, relational, and protection capabilities will affect how strategies are implemented in Kenyan insurance companies. Moreover, the estimated F-statistic, which was significant at the 5% level, came to 35.091, confirming the model's overall importance. The regression model equation for this research study was: $Y = 4.728 + 0.754X_1 + 0.863X_2 + 0.645X_3 + 0.936X_4$. When all knowledge management variables were zero, Kenyan insurance companies' strategy implementation scored 4.728. An incremental unit improvement in infrastructure capabilities correlated with a 0.754 rise in the strategy implementation within Kenyan insurance businesses when all other independent variables were set to zero. Within these insurance businesses, there was an improvement in strategy implementation of 0.645, with a unit rise in relational capabilities and an increase of 0.863 in process capabilities. Similarly, a significant 0.936 improvement in strategy implementation was associated with every unit increase in protective capacities in Kenyan insurance companies. More generally, it is interesting to observe that, among Kenyan insurance businesses, protection capabilities had the most significant impact on strategy implementation. Process, infrastructure, and relational capabilities came next in that order. These variables were found to be significant ($p < 0.05$).

Keywords: Knowledge Management capability, Knowledge acquisition, Knowledge application

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INTRODUCTION

Globally, a study by Fortune Magazine reveals that ninety percent (90%) of strategies are unsuccessful. According to Gibbons and Roberts (2013), implementing strategies was a vital driver of the emergence of strategic management in the late twentieth century. Capon (2008) asserts that strategy execution is commonly the most complicated and time-consuming part of strategic management, while strategy formulation is primarily an intellectual and creative act involving analysis and synthesis. Thus, it is essential to study the properties of successful strategy implementation. Armstrong, Ittner, and Larcker (2014) break down antecedents of strategy implementation into organizational culture, organizational structures, technology adoption, human capital, uncertainty, knowledge management, and leadership. Herman and Chiu (2014) investigated whether organizations are looking for great strategy or implementation by analyzing Asian firms that had competed successfully by focusing on implementing not-so-distinctive procedures instead of attempting to develop unique strategies. By comparing US and Japanese semiconductor industries, Herman and Chiu found that the frequent repositioning of American firms had a more significant impact on other American companies and a lesser impact on Japanese firms that are busy implementing their long-term product line and market segment strategies.

Businesses must strengthen their ability to learn new skills and technology to survive in an environment that is unpredictable and ever-changing. This will help them perform better and achieve long-term organizational success. Initially, from the discipline of strategic management, the resource-based view (RBV) thesis asserts that businesses compete because of resources and competencies that are available to them. Firms can obtain mutual resources; however, variation and similarity can be attained through their capabilities to design and distribute these mutual resources (Bitar & Hafsi, 2007). Organizational capabilities are considered essential organizational resources, both internal and

external, that would assist a firm in achieving competitive advantage and improving performance (Barney, 1991; Liang et al., 2010). Knowledge has been considered a leading strategic resource for firm survival, stability, improvement, and growth (Hassan & Al-Hakim, 2011). Knowledge is also considered the foundation for advancing essential competencies that enhance competitive advantage while increasing a firm's performance (Halley & Beaulieu, 2005). Knowledge management (KM) assists firms in maintaining competitiveness by sharing information with external stakeholders and researching their competitors' products, services, strategies, and best practices (Kyobe, 2010).

According to Heisig (2014), knowledge management capability is the ability of the organization to marshal and position KM-anchored resources in a blend with other resources and capabilities. Anjaria (2020) defined *knowledge management* as a set of techniques, tools, and methods for managing organizational processes. From another perspective, knowledge management could be an object that might be codified, understood, disseminated, and applied to achieve the organization's goals. Organizations must develop KM capabilities to help support various critical organizational operations and activities. Epetimehin and Ekundayo (2011) were among the first scholars in the field of KM to provide a comprehensive model of KM capability dimensions from the organizational capabilities viewpoint. Knowledge management infrastructure capabilities (KMIC) and knowledge management process capabilities (KMPC) are the two main components of an organization's knowledge management capability, according to this paradigm. While knowledge management process capabilities deal with the procedures of acquisition, transformation, application, and security, knowledge management infrastructure capabilities cover technology, structure, and culture (Young et al., 2012). culture.

Kenya's improved socioeconomic conditions have contributed to a gradual but steady increase in insurance penetration rates, which have long lagged

behind international standards. Kenya's low adoption rate—now at 3%—indicates that a sizable portion of the population lacks insurance. In Sub-Saharan Africa, this represents the third-lowest insurance penetration rate; the highest is found in South Africa, at 17%. The perception of insurance as a nice-to-have but easy-to-discard product by most Kenyan populations has led to low uptake. Kenya had 58 insurance and reinsurance businesses in total in 2020, but a small number of corporations—CIC, Jubilee, Britam, ICEA, Lion General, and APA Insurance—have continuously dominated the industry.

The Insurance Regulatory Agency, Kenya's insurance regulator, periodically conducts several consumer education programs nationwide. Like many African countries, Kenya is faced with high rates of corruption and fraud, and the insurance industry has not been spared. An estimated 25% of claims payments by insurers in Kenya occur due to fraudulent claims. Recently, Kenya has experienced increased cyber-attack incidences, with 29% of corporate users suffering malware attacks in just the first half of 2022. This has attracted more effort and investment to be placed into cyber security. Outlook Companies charged with offering insurtech services such as mobile claims and policy payment and micro-insurance firms offering low-cost insurance products such as funeral and livestock insurance are poised as most likely to succeed in the slow-growing Kenyan market. An essential role in the insurance market is played by the Insurance Regulatory Authority, which is in charge of licensing, monitoring, and encouraging the expansion of the insurance sector.

Kenya's life insurance market has steadily grown over the past five years, as evidenced by rises in direct premiums and industry stakeholder ownership. Fifty-six insurance businesses, five reinsurance companies, 220 insurance brokers, and 10,522 insurance agents—26 of whom were Bancassurance agents—were based in Kenya in the fiscal year 2021. Kenya maintained a 2.3% GDP insurance penetration rate in 2021, the same as the previous year. In a market with fierce competition,

this occurred in the context of price reductions (Cytonn FY'2021FY'2021 Kenya Listed Insurance Sector Report).

Statement of the Problem

The AKI Report of 2020 stated that, apart from South Africa, the rest of the continent still has underdeveloped insurance industries with low insurance penetration by global standards. This shows untapped potential for these markets, where existing and new insurers must think of unexplored and innovative distribution channels to increase consumer awareness and market penetration. Low insurance penetration is one of the challenges facing the development of the insurance industry in terms of market share and product diversification, among other measures. In Kenya, insurance growth was 2.84% in 2009 compared to 2.63% in the previous year, while in South Africa, its growth was 12.9% with a population of 44 million (AKI 2020). Organizations have, over time, come up with new strategies to meet customer demands and remain competitive in business. Implementing strategies successfully is vital for any organization, public or private. Implementation processes differ depending on the nature of the strategic problems that the institution faces. According to Beer and Eisenstat (2000), there are five reasons why various strategies developed by firms could have been implemented more effectively. They include management issues of leadership, partnership strategic direction, and commitment of people and their functional competence. According to Johnson and Scholes (2004), the implementation of appropriate strategies remains one of the most challenging areas of management. Substantial energy and resources must be given over to devising a strategic plan.

Insurance companies in Kenya have been affected in various ways by the changes in the business environment in which they operate. The entry of more players, coupled with environmental turbulence, has led to enhanced competition in the industry. Therefore, to be competitive, insurance firms must pay more attention to the needs and wants of the customers, as well as recognize internal

factors to increase their competitiveness and uptake rate through knowledge diffusion during the execution of the strategies. Insurance companies must formulate and execute appropriate strategies such as KM to face the volatile competition in the industry and consequently improve their performance, increase uptake rates, and achieve profit. Survival and continuous growth in this industry can be enhanced through the successful execution of strategies. Many Kenyan business organizations have begun implementing knowledge management programs. However, the literature on knowledge management capabilities and empirical studies in the insurance industry is limited compared to other sectors. Senaji (2012), for instance, looked at the connection between performance, motivation, and Knowledge Management infrastructure competence in Kenya's mobile telecommunications industry. The study's conclusions showed that knowledge management (KM) infrastructure has a significant and advantageous effect on organizational effectiveness. Kiseli and Senaji (2016) investigated the impact of knowledge management competencies on competitive advantage in the Kenyan hospitality sector in a follow-up study. The research findings indicate that a robust technical infrastructure for knowledge management can improve productivity in five-star hotels, which in turn promotes the growth of internal knowledge management and gives them a competitive edge.

All of the above studies look into and bridge the gap left by several issues of Knowledge management that affect or influence an organization's competitive advantage or performance that has never touched on the insurance industry. Knowledge management (KM) has attained significant attention in modern organizational research (Gharakhani & Mousakhani, 2012; Heisig et al., 2016). Knowledge management is essential in all kinds of organizations, yet its practical use is paramount in the service sector, including the banks (Ali, 2016; Gratton & Ghoshal, 2003; Lin, 2013; Taherparvar et al., 2014). With time, the complexity of insurance functions and information technology

have increased manifolds, resulting in a large amount of information and knowledge. Thus, making it essential to have an effective capability to manage the available knowledge for successful operations (Ali & Ahmad, 2006; Ali, 2016; Zaim et al., 2015). Just as the management plays a lead role in seeing that the organizational goals are achieved, it is imperative to investigate their capabilities to manage the large amount of knowledge information between a firm and its clients towards achieving its objectives. Kiseli and Senaji (2016) investigated the relationship between knowledge management competencies and the competitive advantage of Kenya's hospitality sector. The study found that in the hospitality industry, organizations design processes to facilitate knowledge exchange across functional boundaries. This study utilized competitive advantage as the dependent variable, unlike the current study that considers strategy implementation a contextual gap to be filled. To determine how knowledge management affects Kenyan insurance businesses' competitiveness, Kamau and Kwanya conducted a study in 2019. Their analysis indicated that knowledge management strategies significantly impacted UAP's competitive advantage in the market. The study, nonetheless with a comparable geographical scope as this study, mainly concentrated on competitiveness while this study concentrates on strategy implementation, thus bridging the conceptual gap. Therefore, the main goal of this study was to find out how knowledge management skills affect how plans are carried out in the insurance industry, which has a reputation for slow growth.

Objectives of the Study

The general objective of the study was to determine the influence of knowledge management capabilities on strategy implementation in insurance companies in Kenya. The following specific objectives guided the study:

- To assess the influence of infrastructure capabilities on strategy implementation in insurance companies in Kenya.

- To establish the influence of process capabilities on strategy implementation in insurance companies in Kenya.
- To determine the influence of IT capabilities on strategy implementation in insurance companies in Kenya.
- To examine the influence of protection capabilities on strategy implementation in insurance companies in Kenya.

LITERATURE REVIEW

Theoretical Review

Resource-Based View Theory

According to the resource-based view (RBV), a business should maximize its capabilities and resources to gain a competitive edge. This will improve value generation and help the business become more effective. The business must carefully manage its resources and competencies to achieve this degree of performance, considering the various demands resulting from the dynamic business environment. According to RBV, businesses are an amalgam of the assets and proficiencies required to compete in specific product or market environments. Resources are any assets an organization has that can be used to design and implement plans, including financial capital, human capital, and organizational assets (Barney, 1991).

According to Barney, resources and capabilities need to meet four-point criteria to provide superior performance: They must be valuable, enabling a firm to not only exploit its environmental opportunities but also neutralize its threats; they must be rare among their current or potential competitors; They must be costly to imitate, and lastly, they must be without close strategic substitutes. Capabilities reflect a company's ability to combine resources that the organization can muster to promote superior performance in a dynamic business environment (Teece et al., 1997). Makadok (2001) identifies two critical distinctions between resources and capabilities. First, capabilities are a firm-embedded, non-transferable, organizational-specific resource. The other role of capabilities is to increase the productivity of the other resources that the

organization possesses. Based on the theory, could it be concluded that knowledge and information resources and capabilities are costly to imitate, rare, valuable, and without close strategic substitutes? If the claim is valid, does knowledge and information enable an organization to not only exploit its environmental opportunities but also neutralize its threats? Does it mean that knowledge acquisition, conversion, and application can be utilized in the management and increasing of Social Capital to improve Firm Performance and sustain competitive advantages? Building on the Resource-Based View (RBV), companies view knowledge as their most important and strategically significant resource (Grant, 2008). From this angle, an organization is viewed as a distributed knowledge system comprising knowledgeable employees. It suggests that the role of the corporation is to coordinate these workers' actions so they can produce knowledge and add value to the company (Spender, 2006). Could this imply that research institutions' absorptive capacity could be enhanced through KM processes that allow the firm to acquire, convert, and apply existing and new knowledge by adding value to the Social Capital while improving their performance?

Dynamic Capabilities Theory

Dynamic capabilities theory examines how organizations use knowledge to integrate, build, and reconfigure their internal and external organization-specific competencies into new competencies that equal their turbulent and volatile environment (Teece et al., 2010). DC theory assumes that organizations with superior dynamic capabilities will automatically outperform organizations with lesser dynamic capabilities. This theory aims to understand how organizations utilize dynamic capabilities to generate and maintain a lead in strategy execution over other organizations by reacting to and creating environmental changes (Teece, 2007). This theory also aims to understand how companies efficiently adapt to environmental changes by using their changing competencies to gain and maintain a competitive advantage. These unique competencies

result from practical, regular, learned actions businesses use to beat rivals (Teece, 2007). Two dimensions have been proposed by Helfat and Winter (2011) for evaluating a firm's capabilities: technical fitness, which pertains to the firm inside, and evolutionary fitness, which pertains to the firm outside. Technical fitness evaluates an individual's ability to perform a task as cheaply as possible. It is crucial to understand that dynamic capabilities are not only present or missing; instead, this statistic shows that different organizations may have different levels of technical compliance with dynamic capabilities. When a company builds or modifies its resource base, it can outperform other companies outside its organization. This is known as evolutionary fitness. According to Leidner and Kayworth (2008), a corporation can attain evolutionary fitness with the help of specific dynamic competencies.

Knowledge-Based View Theory (KBV)

The study conducted in the context of femur fracture surgery suggests that preoperative carbohydrate loading has potential benefits, such as reducing postoperative pain, improving mobility, and decreasing hospital stay length, based on the findings from the first study on a randomized controlled trial with validated outcome measures. The second article's findings did not find significant differences in immediate postoperative outcomes, such as nausea, vomiting, or length of stay, as a result of preoperative carbohydrate-rich drinks, even though it did identify a reduction in the 90-day readmission rate in the group that received the carbohydrate-rich drink. From a clinical interpretation, both studies provide some evidence that preoperative carbohydrate loading may have benefits in specific orthopedic surgery contexts, even though they are not consistent across all immediate postoperative outcomes. Further research would be beneficial with larger sample sizes and from diverse healthcare settings to facilitate more definitive conclusions and determine the specific patient populations and surgical contexts where this intervention is most effective.

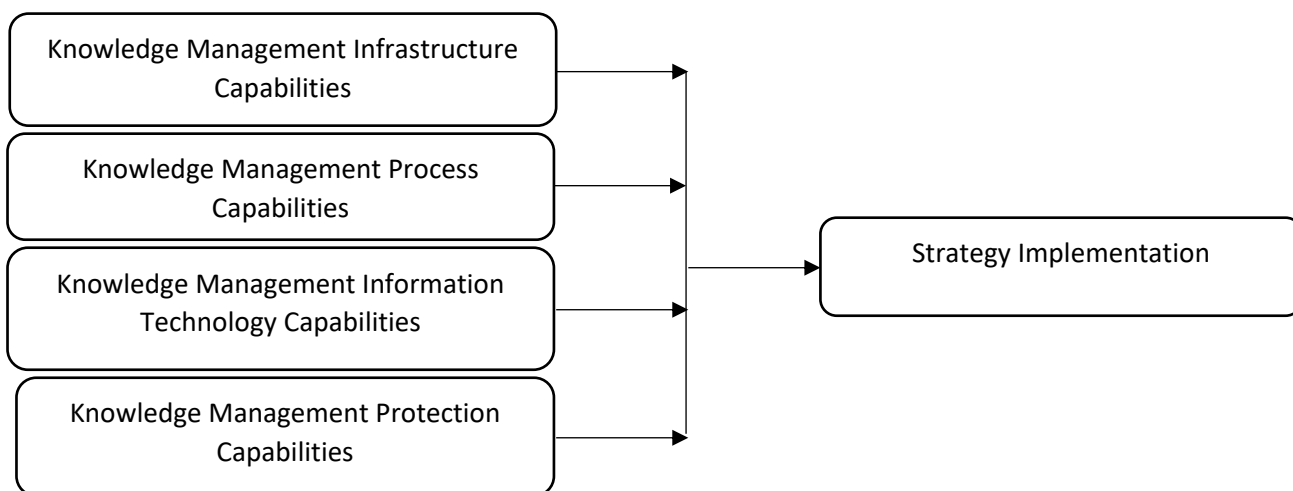
Cognitive Learning Theory

This theory states that humans generate knowledge and meaning through the sequential development of an individual's cognitive abilities, such as the mental processes of recognizing, recalling, analyzing, reflecting, applying, creating, understanding, and evaluating. According to the Cognitivists', (Stankosky, 1976; Bruner, 1960; Bruner, 1966), the learning process is the adoptive learning of techniques, procedures, organization, and structure to develop an internal cognitive structure that strengthens synapses in the brain. According to cognitive learning theory, learning involves changing one's cognitive structure. This change occurs when new information or experiences are combined with existing knowledge stored in long-term memory. In this sense, new knowledge is constructed, remembered, and applied by learners, enabling firms to be competitive in a changing environment. The turbulent and changing environments have intensified the need to learn and get ahead of rival organizations (Takashi, 2001). According to Takashi, firms need to keep pace with rapidly changing market developments and respond rapidly to unexpected market dynamics by identifying investment opportunities to achieve advantageous positioning alignment with the environment, thus placing the firm on a roadmap to achieving a sustainable competitive advantage and improving organizational performance. According to the notion, learners are expected to use the knowledge and abilities they have gained during the learning process to solve problems in real-world situations that are practical (Nonaka, 2013). Does it, therefore, mean that the gained knowledge can be used to a firm's advantage? On the other hand, modern organizations face highly skilled and educated but mobile human capital. Information overload is a common scenario, too. Information must be effectively disseminated or learned in short periods. Despite these challenges, what is the rationale for adopting knowledge management?

Conceptual Framework

The conceptual framework provides a clear diagrammatic expression of how knowledge

management capabilities influence strategy implementation as shown below:



Independent Variable
Source: Researcher (2023)

Dependent Variable

Knowledge Management Infrastructure Capabilities

Previous studies have documented the need for adequate infrastructures to back knowledge management creativities in firms (Davenport & VOIpel, 2001). Various elements and resources add up to knowledge infrastructure capabilities. This study adopts the technology, organizational culture, and organizational structure as indicators of knowledge infrastructure capabilities.

Technology: Technology comprises IT systems (IT) that allow the amalgamation of knowledge and information and the formation, exchange, storage, and securing of knowledge resources in firms. Even though the presence of proper technological infrastructure is vital for the effective management of knowledge, research that studied the association between IT and organizational performance indicators has yet to yield a positive result. These studies have not shown a direct association between IT and organizational performance.

Organizational culture: From a knowledge management perspective, organizational culture is beliefs, values, behaviors, and symbols that influence knowledge management within a firm.

One of the most important elements influencing knowledge management and its practical results is thought to be a culture that values and fosters knowledge (Ho, 2009). According to Sin and Tse (2000), there is a strong association between marketing performance and characteristics found in organizational culture, such as innovation, informality, service quality, and customer attention. Recently, a study by Aydin and Ceylon (2009) showed that cultural dimensions are correlated with firm performance.

Organizational structure: This incorporates organizational hierarchy, rules and regulations, and the reporting associations within a firm (Herath, 2007) and is geared towards coordination and control. Knowledge management specialists have resolved that deviations in the organizational structure, such as changing the hierarchical structure to horizontal structures, are vital for knowledge exchange and creation in a firm (Beveren, 2003). Such changes are positively associated with improved organizational outcomes regarding both finance and services (Richert, 1999).

Knowledge Management Processes Capabilities

A study by Gold et al. (2001) showed how infrastructural capabilities impact the capabilities of knowledge management processes, which include storing, exchanging, and converting knowledge inside an organization. The four identified process capabilities are acquisition, conversion, application, and knowledge protection. The ability of the company to locate, investigate, and obtain knowledge from internal and external sources is known as knowledge acquisition, and it is essential for improving productivity and efficiency (Zahra & George, 2002). This can include several things, including the production, exchange, and dissemination of information.

Acquiring knowledge: demonstrates an organization's potential to use knowledge to its advantage and strengthen its competitive position. Numerous scholarly investigations have exhibited a robust and affirmative association between the acquisition of information and the performance measures of businesses.

Knowledge conversion: There is a need to convert the knowledge obtained from various sources (from inside and outside the business) to organizational knowledge to be correctly utilized by the business (Lee & Choi, 2003). The information and knowledge are short-term and unstable as this conversion process happens in the data chain. Hence, firms must rapidly turn this data into information, then information into organizational knowledge, taking advantage of the gains of the conversion process. Consequently, the expectation is that the conversion process will affect functional results.

Knowledge application: According to Baht (2001), this is the knowledge that has been converted into a more effective and more relevant from the actual value creation chain of the firm. To generate value, firms should apply their knowledge of goods and services through differentiation, i.e., repackaging current knowledge, training, and inspiring workers to think more creatively and utilize their understanding of company processes, products, and services. Doug et al. (2003) asserted that firms that

generate new knowledge at a lesser cost and faster than their rivals and apply it efficiently and effectively will flourish in generating a competitive advantage.

Knowledge Management Information Technology (IT) capabilities

Information technology (IT) capability for knowledge management refers to an organization's ability to combine material and immaterial IT resources with related knowledge, skills, and competencies to improve strategy execution. To maintain strategic competitive advantages, this increased execution competency is sought after. The resource-based view of the business holds that competitive advantages are built on top of IT capacity, which is also a crucial part of IT assets. IT capability, as opposed to IT resources, can be rare, precious, and challenging to replicate (Chae, Koh, and Prybutok, 2014). Thus, by utilizing their IT capabilities, businesses can get advantages including differentiation, cost savings, and customer satisfaction (Lai, Wang, and Zhao, 2008). Senior managers can actively participate in strong knowledge management (KM) activities when they have a well-developed entrepreneurial orientation (EO) (Zhang, Sarker, and Sarker, 2013). By skillfully combining EO with current or developing knowledge resources, this in turn generates new opportunities (Wiklund and Shepherd, 2003). Furthermore, firms are likely to prioritize innovation through the identification or utilization of knowledge hubs in contexts that are changing quickly (Zahra and George, 2002; Karimi, Somers, and Gupta, 2004). Organizations require access to current industry information and expertise, analytical decision-making assistance, and flexible network connections to key decision-makers to respond quickly to changing conditions and minimize uncertainty (Wu et al., 2006). Firms are eager to improve their IT capability in knowledge storage and application to support the ideas, skills, and experiences of their key members since IT capability makes these actions possible (Kearns and Lederer, 2004; Sarker, Sarker, and Zhang, 2007). IT capacity enhances the

effectiveness and efficiency with which organizational procedures are carried out. For instance, real-time knowledge and information sharing along the whole value chain—from suppliers to consumers—can be facilitated by IT capacity (Sanders and Premus, 2005). This strengthens an organization's strategic position within its competitive landscape in addition to lowering transaction, communication, and coordination costs (Chae, Koh, and Prybutok, 2014; Rockart and Short, 1989). IT competency is known to improve organizational performance, according to previous research (Bhatt and Grover, 2005; Kim et al., 2011; Santhanam and Hartono, 2003).

Knowledge Management Protection Capabilities

Knowledge protection is the ability of a firm to secure its intellectual knowledge from unlawful stealing and unsuitable utilization (Gold et al., 2001). It is necessary for the suitable operation and internal control of the firm's strategy execution. Knowledge protection, broadly, encompasses the use of copyrights and patents that are assured by IT systems. The protection of firm knowledge is vital in attaining competitive advantage. Just as the acquisition and exchange of knowledge is vital for achieving competitive advantage, so is the protection and storing of knowledge in gaining business value (Lee & Sukoco, 2007). Strengthening intellectual property rights—patents, copyrights, trademarks—within a company significantly contributes to knowledge protection. According to Pinzon-Castro, Maldonado-Guzman, and Marin-Aguilar (2018), these protections give the organization the power to stop competitors from copying its concepts or innovations and provide chances for licensing its intellectual property rights. A positive correlation between knowledge protection and company success has been demonstrated by numerous research (Ferri et al., 2019). Organizations should not, however, take a pass on knowledge protection. Alternatively, they might put money into improving defenses to limit the information that leaves the company. They can, for instance, provide legal knowledge for the

application and enforcement of intellectual rights or set strict guidelines that define, oversee, and uphold privacy when implementing the organization's plans. Formal knowledge protection capabilities, such as patenting, have received much attention in the literature. Formal knowledge protection measures revolve around legal intellectual property rights regimes, which grant temporary monopoly rights for the use or replication of inventions (e.g., patents or copyrights) (Arrow, 1962; Liebeskind, 1997). Formal knowledge protection in the form of patents, trademarks, copyrights, or design patterns is the most significant. Governmental organizations (such as patent offices) oversee legal protection and evaluate the uniqueness of the information. Therefore, codification and disclosure of the information are required by formal procedures (Gallini, 2002; Encaoua et al., 2006). Consequently, companies require workers with the skills necessary to encode pertinent information throughout the application procedure, which must adhere to the regulations set forth by the legal body awarding protection rights.

On the other hand, targeted investments, knowledge disclosure, or codification are optional for strategic knowledge protection initiatives. Smaller or low-tech businesses find them intriguing because of this (Byma & Leiponen, 2006). These tactics use organizational procedures to stop knowledge spillovers or lessen their detrimental effects. They put up more obstacles to competitors' knowledge transfers (Szulanski, 1996).

METHODOLOGY

In order to determine the impact of knowledge management capabilities and strategy execution across insurance businesses, this descriptive study used a cross-sectional survey approach. The study population comprised a count of all the 55 licensed insurance companies. The unit of analysis consisted of the top management of the firms. Due to the small number of insurance, the study conducted a census study; thus, all the insurance companies were included. The list of insurance firms was obtained from the Insurance Regulatory Authority and

Association of Kenya Insurers' websites and annual reports. This study adopted the census method since the population is small. This comprised all the licensed insurance firms that operated in Kenya. However, no sampling and sampling techniques were required for this study since the current study population consists of 55 licensed insurance companies; therefore, a census is fit. The study utilized primary data that was collected using a questionnaire that was gathered from the companies within the insurance industry. Data collected for this study was cleaned, edited, and coded using an Excel datasheet before input to SPSS for analysis. The study is expected to generate quantitative and qualitative data. Descriptive analysis was applied to quantitative data using the help of SPSS version 25, while content analysis was applied to qualitative data. Inferential statistics was

analyzed using a multiple regression model $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$.

FINDINGS AND DISCUSSION

The study administered 50 questionnaires to all the respondents, with only 46 returning their questionnaire, representing a 94.5% response rate, which was statistically acceptable for generalization.

Various statistical methods are used in regression analysis to determine the relationships between various variables. Regression analysis was used in this study to determine the relationship between the independent and dependent variables. It helps to understand how changes to one independent variable while holding the other independent variables constant, affect the usual value of organizational performance. Table 4.8 below presents the summary results of this analysis.

Table 1: Model Summary

Model	R	R Squared	Adjust R Square	Std. Error of the Estimate
1	0.872	0.775	0.734	3.202

Source: Researcher (2023)

The table above represents a model fit, illustrating how well the model equation aligns with the data. The adjusted R², in this context, quantified the predictive capacity of the study model. The result revealed an adjusted R² value of 0.775, signifying that 77.5% of the variations in strategy

implementation within Kenyan insurance companies can be attributed to infrastructure capabilities, process capabilities, relational capabilities, and protection capabilities. This leaves 22.5% unaccounted for, indicating other factors at play.

Table 2: ANOVA results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1523.40	2	463.56	35.091	.000
Residual	474.21	42	23.407		
Total	1997.61	44			

Source: Researcher (2023)

The probability return value of 0.00 in the table above indicates a strong, statistically significant link. This number shows how expressively well-predicted it is about how infrastructure, process, relational, and protection capabilities will affect how strategies

are implemented in Kenyan insurance companies. Moreover, the estimated F-statistic, which was significant at the 5% level, came to 35.091, confirming the model's overall importance.

Table 3: Coefficients of Determination

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig
(Constant)	4.728	3.289		1.253	0.014
Infrastructure capabilities	0.754	0.143	0.697	3.636	0.000
Process capabilities	0.863	0.199	0.700	6.071	0.003
Relational capabilities	0.645	0.176	0.629	4.903	0.001
Protection capabilities	0.936	0.157	0.608	5.847	0.000

Source: Researcher (2023)

The regression model equation for this research study was:

$$Y = 4.728 + 0.754X_1 + 0.863X_2 + 0.645X_3 + 0.936X_4$$

When all knowledge management variables were zero, Kenyan insurance companies' strategy implementation scored 4.728. An incremental unit improvement in infrastructure capabilities correlated with a 0.754 rise in the strategy implementation within Kenyan insurance businesses when all other independent variables were set to zero. Within these insurance businesses, there was an improvement in strategy implementation of 0.645, with a unit rise in relational capabilities and an increase of 0.863 in process capabilities. Similarly, a significant 0.936 improvement in strategy implementation was associated with every unit increase in protective capacities in Kenyan insurance companies. More generally, it is interesting to observe that, among Kenyan insurance businesses, protection capabilities had the most significant impact on strategy implementation. Process, infrastructure, and relational capabilities came next in that order. These variables were found to be significant ($p < 0.05$).

CONCLUSION AND RECOMMENDATION

This study's main goal was to investigate how knowledge management competencies affect how strategies are implemented in Kenyan insurance companies. To achieve this aim, the research looked for solutions to several relevant questions: How do infrastructure capabilities affect strategies implemented in Kenyan insurance companies? Does the execution of strategies in Kenyan insurance businesses depend on the existence of process

capabilities? What is the influence of Information Technology (IT) capabilities on the implementation of strategies in insurance companies in Kenya? What part do protective capabilities play in Kenyan insurance companies' strategy implementation? A descriptive design was used in the research to investigate these issues. The study's conclusions showed that, in Kenyan insurance companies, infrastructure capabilities have the upper hand regarding strategy implementation. This was made clear by the respondents' agreement that their company has adopted technology to make it easier to record office locations and kinds of knowledge. Such information is gathered, used, and shared among many sites, assisting in the execution of the plan. Additionally, the research showed that process capabilities have a significant impact on how strategies are implemented in Kenyan insurance companies. These businesses have made investments in R&D projects intending to produce new knowledge, which in turn offers answers to the technological problems cooperative engineers encounter. The study also sheds light on how these insurance companies' strategies are implemented in Information Technology (IT) capabilities. Businesses have embraced technology that promotes internal communication and helps document office locations and kinds of information. These businesses also possess technological platforms that make knowledge-related tasks like creation, sharing, distribution, and application more accessible. The study also revealed how protective capabilities affect how strategies are implemented in insurance companies in Kenya. This is accomplished by patenting inventions to prevent patent-related legal

conflicts efficiently, copyrighting current knowledge technologies and innovations, and ultimately boosting these businesses' competitive advantage in the market. In conclusion, the study verified that knowledge management is critical to strategy implementation in Kenyan insurance firms. This is shown by the gradual decline in these companies' operating costs because of their careful planning and budgeting expenses. Simultaneously, the caliber of services rendered to customers has steadily increased over time because of a steadfast emphasis on their requirements and notable improvements in internal business procedures that have increased productivity.

The study concluded that knowledge management capabilities influence strategy implementation in Kenyan insurance businesses. Knowledge management capabilities to help support a variety of

critical organizational operations and activities. Knowledge management (KM) capabilities assist firms in maintaining competitiveness by sharing information with external stakeholders and researching their competitors' products, services, strategies, and best practices.

This study recommended that firms should invest more in modern technologies and equipment that assist in improving knowledge management, which will further enhance efficiency.

Suggestions for further

The study sought to determine the influence of knowledge management capabilities on strategy implementation in insurance companies in Kenya. However, the study concentrated on primary data. The report suggested that a different investigation be carried out using secondary data obtained from insurance firms.

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