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DETERMINANTS OF SUSTAINABLE COMPETITIVE ADVANTAGE IN THE INSURANCE INDUSTRY IN KENYA

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ABSTRACT

The Kenyan insurance sector cannot be termed as sustainably performing based on the current statistics indicating poor performance trends. This is risky given the highly volatile environment of operation that requires strategies for competitive advantage. This study thus established the determinants of sustainable competitive advantage in the insurance industry in Kenya focusing on strategic leadership, corporate culture, organizational resources and innovation. The study anchored on the theory of Transformational Leadership, Corporate Culture Theory of the Firm, Resource Based View Theory and Disruptive Innovation Theory. A descriptive research design was adopted and the target population was 165 respondents from the all the 55 insurance companies in Kenya. A structured questionnaire was adopted to collect quantitative data which was analysed through descriptive and inferential statistics using SPSS software, version 24. The study findings indicated that the insurance firms have adopted strategic leadership to a high extent and hence has a significant influence on sustainable competitive advantage.

It was also established that even though corporate culture practices were implemented to a moderate extent in the insurance industry, its influence on sustainable competitive advantage was positive and significant. In addition, the firms have allocated organizational resources moderately and that has an insignificant influence on sustainable competitive advantage. Lastly, it was revealed that even though the insurance firms have adopted innovation to a moderate extent, its influence on sustainable competitive advantage was positive and significant. The study recommends a need for improvement in allocation and redeployment of resources so as to harness its significant influence. For the other factors, it was noted that some practices had been adopted to a moderate extent hence a recommendation to enhance its adoption in order to realize an even better influence.

Key Words: *Strategic Leadership, Corporate Culture, Organizational Resources, Innovation, Sustainable Competitive Advantage, Insurance Industry*

BACKGROUND OF THE STUDY

Worldwide institutions continue to compete (Sigalas, 2015). Business associations, public bodies and even small businesses use various methods for gaining market penetration, attracting and maintaining clients, enhancing market leadership and operating performance. Company plans aim only at enhancing the efficiency of businesses (Wangira & Justus, 2016). Competition in different industries has gained a high momentum in modern market dynamics through application of technology. Innovations designed to allow various companies to gain competitive advantage have proven successful and so other companies have required innovative steps (Hanafi et al., 2017). Corporate leadership and leadership style will decide whether they succeed or fail. Organizations foster a modern working culture in their organizations through successful information management and system application.

In view of the need for sufficient resources for the implementation of programs and other operating needs, each company in various industries is concerned with competing effectively (Koech & Were, 2016). Some of the services needed are extremely costly, so there has been a pause in implementing the expected activities for some organizations. A significant and leading achievement for a company is a stronger competitive advantage in the services industry (Wangira & Justus, 2016). Different authors have different competitive advantage concepts. In Agwu (2018), for example, the competitive advantage is defined as a summary of what accounts for the differences in business strategy. A sustained competitive advantage, on the other hand, according to Gunasekaran et al., is a way to get returns on investment above the considered average market for a business (2017). Value creation techniques are deemed effective in order to achieve and sustain a stronger competitive advantage. Customer service efficiency, fair price and supplementary services is maybe one way to achieve a sustainable competitive advantage (Jackson et al., 2014).

It is understood that when a business has an economic advantage, a consumer environment interacts with a company's core needs or policies. Through using the resources and expertise of the company, the strategic advantage of Lin and Chen (2017) can be achieved. A change in existing skills and resource use is needed in order to gain a competitive advantage in the same market versus others. It is focused on the ability to define a certain range of strategic approaches that allow the company to implement cost control, differentiation and focus strategies. This is the secret to achieving a higher industry productivity than average. When a firm acquires an attribute or combination of attributes that allow it to transcend its rivals, a competitive advantage emerges. These attributes may include access to high-quality ores and cheap fuel, as well as access to highly skilled professionals.

The product has to implement or contribute to modern techniques such as Robotics and IT (Jackson et al., 2014). IT is now so high in today's business world that it can also have a competitive advantage from the outset for the superior competitors in terms of internet presence (Moses et al., 2018). Fernando et al. (2017) argue that a sustainable competitive advantage is the result of strategic assets which are perceived to be internally controlled and which increase the efficacy and efficiency of the organization's strategies. Competitive advantages therefore don't rely on fundamental principles such as natural resources, technology or economies of scale, as traditionally predicted, since this is increasingly easily imitated (Thanh & Huong, 2017).

STATEMENT OF THE PROBLEM

A sustained competitive advantage ensures that firms get returns on investment above the considered average market for a business (2017). This is important in the insurance industry considering the role of insurance firms in the economy (Jackson et al., 2014). The Kenyan insurance sector cannot be termed as sustainably performing based on the current statistics. Latest reports from IRA (2018) documented that the industry announced underwriting losses of KES 2.59 billion compared to 1.03 billion reported in 2017 representing 150% increase (IRA, 2018). These trends are worrying considering further statistics documented that the same year, net profit of the sector decreased drastically in 2018 by 46.7 percent from 13.6 billion to 7.3 billion KES (IRA, 2018). In addition, the report indicated that premium growth slowed to 3% compared to 6% in the year 2017.

It is also worth noting that R.O.A reduced for long term business in 2017 while improved for short term business (IRA, 2018). Therefore, understanding the determinants of this statistics is thus important in order to come up with strategies that can spur its sustainable competitive advantage. Despite these worrying trends, various studies on the sustainable competitive advantage present mixed results as well as research gaps. A study by Ouma (2018) linked sustainable competitive among insurance firms to value chain analysis, Burca and Batrinca (2014) linked sustainable competitive advantage to immaterial properties albeit in the pharmaceutical industry while Ngigi (2016) demonstrated that among the East African Packaging Industries', competitive advantage relies on strategic leadership. The studies however presented a contextual research gap. In order to bring up date information on what factors influence sustainable competitive advantage in the insurance industry, this study was timely.

OBJECTIVES OF THE STUDY

i. To establish the influence of strategic leadership on sustainable competitive advantage in insurance companies in Kenya.
ii. To determine the influence of corporate culture on sustainable competitive advantage in insurance companies in Kenya.
iii. To assess the influence of organizational resources on sustainable competitive advantage in insurance companies in Kenya.
iv. To establish the influence of innovation on sustainable competitive advantage in insurance companies in Kenya.

THEORETICAL REVIEW

The study was anchored on the theory of Transformational Leadership, Resource Based theory, corporate culture theory of the firm and disruptive innovation theory. Transformational leadership proposed by Bass (1985) is a charismatic leadership which transforms idealization into practical actions. Transformational leadership is that which occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. Bass (1985) argued that a leader is one who motivates his followers to do more than they originally expected to do. This motivation could be achieved by raising the awareness level about the importance of outcomes and ways to reach them. Bass (1985) also argued that leaders encourage followers to go beyond self-interest for the good of the team or the organization. Furthermore, leaders can lead a higher level of psychological needs to followers and motivates their commitments to the organization in return.

Bass (1985) proposed that there are four factors that determine the behavioral components of transformational leadership: charisma/inspiration, intellectual stimulation, idealized influence and individualized consideration. Through Four characteristics, that is, charisma/inspiration, intellectual stimulation, idealized influence and individualized consideration, a leader can inspire and motivate the employees in a firm to move beyond their levels and deliver for the organization. A combination of the Four thus enables the leader to give strategic direction to the firm and in the long run, it enhances competitive advantage.

The Corporate Culture Theory of the Firm proposed by Gorton and Zentefis (2020) models how corporate culture takes shape and demonstrated how it affects a firm's internal organisation. The theory argues that corporate culture begins forming when a CEO communicates her desired values and norms to all employees (setting a ‘tone from the top’). Employees then interpret these instructions from their own perspectives and communicate their views to each other and within their teams. All of these interpretations form a corporate culture comprising values, norms, and customs, which together establish tacitly agreed rules for behaviour. Once established, corporate culture affects key decisions regarding the firm’s structure and that can affect firm performance as well as its sustainable competitive advantage in the long run. In line with this study, the theory suggests that corporate culture is important in building a long term sustainable competitive advantage if well implemented.

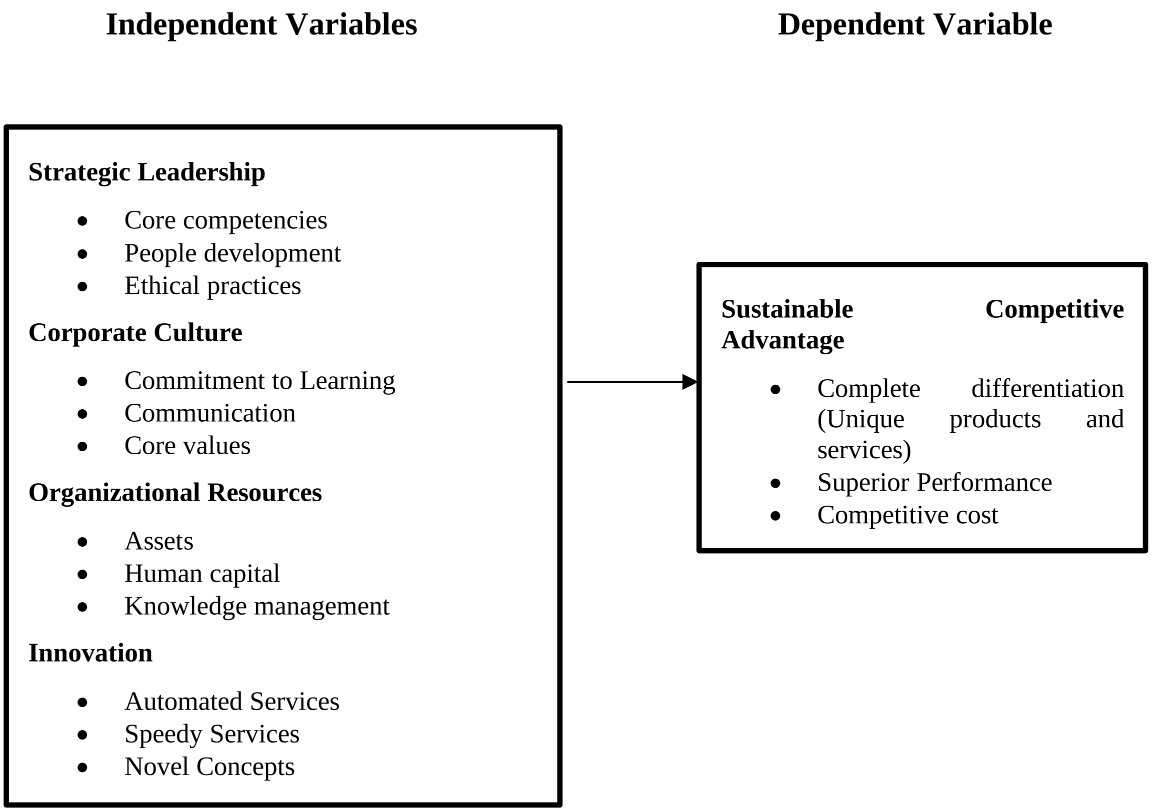
In regard to the Resource Based View Theory, proposed by Barney, organizational resources are the foundation of organizational competitiveness. Cakmak's and Tas' (2012) argued that viewing relations as resources fulfills all four resource-based vision requirements, namely value; sparse; inimitable; unreplaceable. Capabilities need to be created, both within and outside partners. A rigorous mix of resources and expertise is influenced by an organization's sustainable competitive advantage. The theory is consistent with the argument that competitive advantages are rendered by the immaterial and tangible resources of the business (Mukesh, Andy & Louis, 2013).

The Disruptive Innovation Theory, proposed by Clayton Christensen in 1997, argues that in a specific market, existing or incumbent companies compete in designing performance measures to satisfy the requirements of both low and high-end consumers. In time, the performance given exceeds the demands of performance creating a surplus. Disruptive technologies help to build new markets and value networks in ways that the consumer is not expecting to improve goods and services over time and result in the change of earlier technology (Naqshbandi & Singh, 2015).

The theory predicts that businesses making the right strategic decisions would gain competitive advantage under disruptive innovation. The theory overly assumes, however, that administrators have perfect access to knowledge about environmental disruptive patterns. The theory often disregards the effect of firm heterogeneity on disruptive competition influences (Helfat et al., 2007).

Figure 1 Conceptual Framework

CONCEPTUAL FRAMEWORK



EMPIRICAL REVIEW

A study by Njuguna (2015) showed that SMEs use the generic cost control and differential strategies adequately to achieve their competitive advantage. Furthermore, the concentrating technique was used to a minimal degree. The study advised owners and managers of SMEs to find ways of separating themselves from competition so as to be exclusively available to their customers. Another study by Were (2016) indicated the importance of leadership in the development of policies that contribute to the success of an organization. However, the analysis does not produce contextual evidence in other sectors not connected to the state. Another study by Wu et al. (2017) showed that flexibility has major implications as a way to help companies achieve the competitive value of convergence, knowledge sharing and strategic eco-design alliances within the supply chain.

On the other hand, Eric (2014) showed strategic commercial alliances have large market profits, which improve the competitiveness of the business. A study by Jain and Bhatt (2015) and Lin and Chen (2017) showed that innovation strategy was a great determinant of competitive advantage across industries. Ding et al. (2019) focusing on Chinese firms, found that quality management greatly determined competitive advantage. In Nigeria, Ozigbo (2013) argued that corporate culture played a significant role in competitive advantage while locally, Oduol (2015) found that guidance, processes and procedures for employees was the most prevalent culture which determined competitive advantage. A study by Hassan et al. (2017) showed that resource endowments helped Pakistan firms to enhance their competitive advantage. Similar views were held by Albrecht et al. (2015) which established the importance of human resource in achievement of competitive advantage.

Additionally, The Casanueva et al. (2015) showed that access to network resources helped firms to achieve competitive advantage. Other studies such as Dereli said (2017) and Jogaratnam (2017) further demonstrated that development of new skills and assembling of other unique resources, build sustainability and boost performance. In regard to innovation, Wangira and Justus (2016) showed that banks focus on their needs instead of imitating their competitors with the right technology or innovation to achieve their objectives. Gunasekaran et al. (2017) also showed that institutions improve knowledge management processes which are useful to enhance the company's performance. This is consistent with Moses and al. (2018) who emphasized the role of innovation and pricing in order to improve competitive advantages. Similarly, Agwu (2018) and Zainuddin et al. (2017) linked innovation to sustainable competitive advantage.

RESEARCH METHODOLOGY

This study adopted a cross-sectional survey research design. The target population was 3 respondents from the administration, sales and marketing and information technology department of each of the 55 insurance companies. In total, 165 respondents were targeted where a census was adopted. Quantitative data was collected through a structured questionnaire. This study applied descriptive analysis method to analyze collected information. This aided in description of the population. Additionally, correlation and regression analysis were conducted to establish the relationship between the study variables. A multiple regression model was used as shown. $Y= \beta_0+ \beta_1X_1+\beta_2X_2+ \beta_3X_3+ \beta_4X_4 +\varepsilon$, where: Y is Sustainable Competitive Advantage, X_1 is Strategic Leadership, X_2 is Corporate Culture, X_3 is Organizational Resources, X_4 is Innovation, β_0 is the regression constant or intercept, β_1, β_2, β_3 and β_4 are regression coefficients and ε is the error term.

RESEARCH FINDINGS

After a pilot study, the study targeted 3 respondents from each of the 48 remaining insurance companies after excluding the 7 which participated in the pilot where a total of 144 questionnaires were issued out of which 96 were well filled and returned giving a response rate of 67%.

Demographic Characteristics

The respondent's gender, age, education level, level of management and years of experience at insurance firm were analysed and presented in this section. Table 4.2 summarizes the demographic factors of the study. The results demonstrated that majority, 67.7%, of the respondents were male. Even so, the gender rule was met in the insurance industry as stipulated by law. It was also indicated that up to 47.9% of the respondents were aged between 34 and 44 years followed by those aged between 25 and 34 at 39.5%. The results further indicated that majority of the respondents, 71.9%, had a bachelor's degree as their highest level of education to imply that they were literate. Additionally, they had a work experience between 6 and 11 years which demonstrated high institutional knowledge. The respondents were thus in a position to give information required.

Table 1 Demographic Characteristics

Factor	Gender	Frequency	Percent
Gender	Male	65	67.7
	Female	31	32.3
Age Bracket	25 - 34	38	39.6
	34 - 44	46	47.9
	45 - 54	6	6.3
	55 Years and above	6	6.3
Highest Level of Education	Bachelor's Degree	69	71.9
	Post Graduate Degree	27	28.1
Respondent's Work Experience	2 to 5 Years	19	19.8
	6 to 11 Years	51	53.1
	More than 12 Years	26	27.1

Description of Strategic Leadership among Insurance Firms in Kenya

Descriptive Statistics on the questions regarding strategic leadership were also established on a five-point likert scale and presented in Table 2. The results showed that the insurance firms in Kenya have administrators who to a high extent help create and communicate new strategic directions (M = 3.83), have a top management which is the catalyst for co-operation of all other components of the insurance business to a high extent (M = 3.83), have included their employees in their vision (M = 3.69), have leaders with clear priorities and organizational controls for each department to a high extent (M = 3.57) and also have top management support staff development in order to be accountable for and responsible for overall insurance company growth to a high extent (M = 3.61). The results further revealed that insurance companies hire staff in unique assignments dependent on their core competence and specialized abilities (M = 3.79) as well as have leadership which promotes and encourages ethical practices at work place (M = 4.28).

On the contrary, the firms have leaders who encourage staff to step up their contribution to corporate purposes to a moderate extent (M = 3.43), have a participatory leadership culture to a moderate extent (M = 2.91) as well as have company leadership that consults and equips workers with sufficient knowledge and skills set required to a moderate extent before making major business decisions (M = 2.50). Generally, these insurance firms have demonstrated strategic leadership to a high extent (M = 3.57). The overall standard deviation value of 1.07 was not widely spread from the mean to imply that most of the responses and opinions by the respondents were not widely varied. This implies that majority of the respondents had related views not differing much from each other.

Table 2 Descriptive Statistics of Strategic Leadership

Statement	**Mean**	**Standard Deviation**
Leaders encourage staff to step up their contribution to corporate purposes.	3.43	1.37
Top insurance company administrators help create and communicate new strategic directions.	3.83	1.04
Top management is the catalyst for co-operation of all other components of the insurance business.	4.05	1.21
Employees share in the vision of the company	3.69	1.21
The insurance company leaders have clear priorities and organizational controls for each department.	3.57	1.24
The top management support staff development for them to be accountable for and responsible for overall insurance company growth.	3.61	1.22
The insurance industry has a participatory leadership culture	2.91	0.85
Before making major business decisions, the company leadership consults and equips workers with sufficient knowledge and skills set required.	2.50	1.11
The insurance company hires staff in unique assignments dependent on their core competence and specialized abilities.	3.79	0.65
The company leadership promotes and encourages ethical practices at work place.	4.28	0.85
Average	**3.57**	**1.07**

Description of Corporate Culture among insurance firms

Descriptive Statistics on the questions regarding corporate culture (Table 3) through a likert scale demonstrated that the management of the insurance firms in Kenya are commitment to continuous staff learning and development (M = 3.61) to a high extent. However, the insurance industry executives trust staff to make critical decisions in the organization moderately (M = 2.80), have an open-door communication and consulting culture moderately (M = 3.23) as well as have staff in the organization who have shared relationships and adhere to core values moderately (M = 3.45). It was also indicated that among the firms, decisions in the organization are participatory to a moderate extent (M = 3.02), shift management within all the departments concerned is properly communicated to a moderate extent (M = 3.47), have a philosophy of consistent transparency to a moderate extent (M = 3.34) as well as moderate provision of adequate training to allow staff to cope with management changes (M = 3.06).

In addition, all staff are well educated on the changes to be made and the method of implementation to a moderate extent as well as having proper reward system for staff remuneration including bonus and overtime pay to a moderate extent (M = 2.59). Generally, it was indicated that corporate culture practices were implemented to a moderate extent (M = 3.16). The overall standard deviation value of 1.14 was not widely spread from the mean to imply that most of the responses and opinions by the respondents were not widely varied. This implies that majority of the respondents had related views not differing much from each other.

Table 4 Descriptive Statistics of Corporate Culture

Statement	Mean	Standard Deviation
Insurance industry executives trust staff to make critical decisions in the organization.	2.80	1.33
My insurance company has an open-door communication and consulting culture.	3.23	1.36
Staff in the organization have shared relationships and adhere to core values	3.45	1.10
Management is commitment to continuous staff learning and development	3.61	1.14
Decisions in the organization are participatory	3.02	0.88
Shift management within all the departments concerned is properly communicated.	3.47	0.94
In this insurance company, there is a philosophy of consistent transparency.	3.34	1.14
Adequate training is provided to allow staff to cope with management changes.	3.06	1.19
All staff are well educated on the changes to be made and the method of implementation	3.04	1.24

Statement	Mean	Standard Deviation
The organization have proper reward system for staff remuneration including bonus and overtime pay.	2.59	1.08
Average	**3.16**	**1.14**

Description of Organizational Resources among insurance firms

Descriptive Statistics on the questions regarding organizational resources on a five-point likert scale were similarly established under Table 5. It was indicated that among the insurance firms in Kenya, the internal frameworks strengthen the execution of strategic change (M = 3.73), there is leverage on technology to perform business processes (M = 3.67), employees are absolutely pleased with their current area of practice in the organization (M = 3.74), employee's work description matches their skills set and experiences (M = 4.16) and that most of the firms have clear procedures, rules and responsibilities which provide members with certainty in the process of implementation (M = 3.86).

On the contrary, some practices such as development of internal knowledge management and sharing frameworks have been done moderately (M = 3.39), management regarding staff as valuable asset for organization competitive advantage has been achieved moderately (M = 3.28), allowing employees in decision-making has been achieved to a moderate extent (M = 2.96) as well as specification of roles and tasks in the organization has been achieved moderately (M = 2.60). Overall, organizational resources have been managed moderately among the insurance firms (M = 3.48). The overall standard deviation value of 1.19 was not widely spread from the mean to imply that most of the responses and opinions by the respondents were not widely varied. This implies that majority of the respondents had related views not differing much from each other.

Table 5 Descriptive Statistics of Organizational Resources

Statement	Mean	Standard Deviation
The institution has developed internal knowledge management and sharing frameworks	3.39	1.03
The organization's internal frameworks strengthen the execution of strategic change.	3.73	0.79
Management regard staff as valuable asset for organization competitive advantage.	3.28	1.25
The current structure of the insurance company does not allow involvement of employees in decision-making.	2.96	1.72
The organization leverages on technology to perform business processes.	3.67	1.25

Statement	Mean	Standard Deviation
I am absolutely pleased with my current area of practice in the organization	3.74	1.35
My work description matches my skills set and experiences.	4.16	0.89
There are clear procedures, rules and responsibilities which provide members with certainty in the process of implementation	3.86	1.11
Management regard staff as valuable asset for organization competitive advantage.	3.40	1.25
Roles and tasks in the organization are not well specified	2.60	1.25
Average	**3.48**	**1.19**

Description of Innovation among insurance firms

The descriptive statistics on the questions regarding innovation were also established on a five-point likert scale as shown in Table 6. The results indicated that generally, the insurance industry promotes financial synergies aimed at reducing capital costs (M = 3.73), insurance firms in Kenya have developed interactive and automated business applications for its intermediaries and clients (M = 3.60) as well as efficient systems and processes that support speedy service delivery to the clients (M = 3.59). However, they have moderately encouraged staff to brainstorm and share new ideas and ways of running the insurance business (M = 3.11), have a great reward system for staff and partners on innovative solutions to power insurance business growth (M = 2.57), invested in innovation to a moderate extent (M = 3.48).

Additionally, they have a research and development team for design and development of emerging products and services to a moderate extent (M = 3.26) as well as shared link within a direct network between actors to a moderate extent (M = 2.94). Generally, the firms have adopted innovation to a moderate extent (M = 3.30). The overall standard deviation value of 1.19 was not widely spread from the mean to imply that most of the responses and opinions by the respondents were not widely varied. This implies that majority of the respondents had related views not differing much from each other.

Table 6 Descriptive Statistics of Innovation

Statement	**Mean**	**Standard Deviation**
The insurance industry promotes financial synergies aimed at reducing capital costs.	3.73	1.02
The management encourages staff to brainstorm and share new ideas and ways of running the insurance business.	3.11	1.21
The organization has developed interactive and automated business applications for its intermediaries and clients.	3.60	1.17
The management has a great reward system for staff and partners on innovative solutions to power insurance business growth.	2.57	1.02
Insurance industry is an innovative industry.	3.48	1.09
The organization has efficient systems and processes that support speedy service delivery to the clients.	3.60	1.26
The organization has a research and development team for design and development of emerging products and services.	3.06	1.48
The organization has automated claims management process.	3.26	1.12
The insurance company has a shared link within a direct network between actors	2.94	1.23
Insurance company's systems and networks are resilient against external attacks and disruptions.	3.59	1.26
Average	**3.30**	**1.19**

Description of Sustainable Competitive Advantage among insurance firms

The study established the descriptive statistics on the questions regarding sustainable competitive advantage as shown in Table 4.7. The results indicated that majority of the insurance firms in Kenya offer consumers with a mix of unique products and services (M = 4.20), offer competitive prices on its products (M = 3.69), demonstrate superior performance over a period of time compared to its competitors (M = 3.63), have a set of completely differentiated products compared to its competitors (M = 3.55) and also have a set of completely differentiated services compared to its competitors (M = 4.02).

In addition, it was established that the insurance firms are very flexible in their service delivery (M = 3.74), have very low transaction lead time (M = 4.07) as well as a high number of return customers over the years (M = 3.80). On the contrary, they have a moderately high customer satisfaction index (M = 3.00) as well as low number of customer complaints (M = 3.20). On average, the firms demonstrate sustainable competitive advantage to a high extent (M = 3.69). The overall standard deviation value of 0.98 was not widely spread from the mean to imply that most of the responses and opinions by the respondents were not widely varied. This implies that majority of the respondents had related views not differing much from each other.

Table 7 Descriptive Statistics of Sustainable Competitive Advantage

Statement	**Mean**	**Standard Deviation**
The business offers consumers with a mix of unique products and services.	4.20	0.55
The company offers competitive prices on its products	3.69	1.27
The company has demonstrated superior performance over a period of time compared to its competitors	3.63	0.87
The company has a set of completely differentiated products compared to its competitors	3.55	1.07
The company has a set of completely differentiated services compared to its competitors	4.02	0.95
The is very flexible in its service delivery	3.74	0.85
The transaction lead time for the company is very low	4.07	0.76
The customer satisfaction index is constantly high	3.00	1.36
The number of customer complaints are very low over time	3.20	1.22
The number of return customers is very high over the years	3.80	0.90
Average	**3.69**	**0.98**

Correlation Analysis

Correlation analysis as shown in Table 8 indicated that strategic leadership had a positive and significant influence on the sustainable competitive advantage of the insurance firms in Kenya (r = 0.416: P-value < 0.05). These results show that an improvement in strategic leadership leads to a significant increase in sustainable competitive advantage of the insurance firms in Kenya. In their analysis, Sigalas (2015) similarly demonstrated a positive and significant influence of strategic leadership in an organization. It was also established that corporate culture had a positive and significant influence on the sustainable competitive advantage of the insurance firms in Kenya (r = 0.767: P-value < 0.05).

These results show that an improvement in corporate leads to a significant increase in sustainable competitive advantage of the insurance firms in Kenya. A study by Lin and Chen (2017) also indicated that corporate culture was significant in improving firm performance in China. The correlation results also demonstrated that organizational resources had a positive and significant influence on the sustainable competitive advantage of the insurance firms in Kenya ($r = 0.656$: P-value < 0.05). These results show that an increase in organizational resources lead to a significant increase in sustainable competitive advantage of the insurance firms in Kenya. In Pakistan, a study by Hassan et al. (2017) also demonstrated that organizational resources when well aligned, can significantly improve firm performance. Lastly, it was established that innovation had a positive and significant influence on the sustainable competitive advantage of the insurance firms in Kenya ($r = 0.694$: P-value < 0.05). These results show that an increase in innovation lead to a significant increase in sustainable competitive advantage of the insurance firms in Kenya. Zainuddin et al. (2017) also showed that innovation was a significant driver of firm success.

Table 8 Correlation Analysis

		Strategic Leadership	**Corporate Culture**	**Organizational Resources**	**Innovation**	**Sustainable Competitive Advantage**
Strategic Leadership	Pearson Correlation	1				
Corporate Culture	Pearson Correlation	.836**	1			
Organizational Resources	Pearson Correlation	.697**	.773**	1		
Innovation	Pearson Correlation	.752**	.789**	.837**	1	
Sustainable Competitive Advantage	Pearson Correlation	.416**	.767**	.656**	.694**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	96	96	96	96	96
**** Correlation is significant at the 0.01 level (2-tailed).**						

Regression Analysis

A multiple regression model was utilized to foresee the influence of the 4 factors on sustainable competitive advantage of insurance firms in Kenya. The model summary results demonstrated in Table 9 show that up to 83% of the variation in sustainable competitive advantage of insurance firms in Kenya is attributed to innovation, strategic leadership, organizational resources and corporate culture and the remaining fraction, 17%, is as a result of other factors.

Table 9 Model Summary

R	R Square	Adjusted R-Square	Std. Error of the Estimate
.911	0.83	0.822	0.3231
Predictors: (Constant), Innovation, Strategic Leadership, Organizational Resources, Corporate Culture			

The results in Table 10 reveal that the model that was used to predict the influence of innovation, strategic leadership, organizational resources and corporate culture was a good fit (P-Value < 0.05). This can also be ascertained by a comparison of F critical and calculated whereby the $F_{\text{calculated}}$ (110.96) was greater than F critical that is $F_{(4,91)}$ (2.472). A greater F calculated imply that the model was fit. The model was therefore considered a good fit to predict any other similar outcomes in different scenarios but the same industry.

Table 10 ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	46.33	4	11.583	110.96	.000
Residual	9.499	91	0.104		
Total	55.83	95			
Dependent Variable: Sustainable Competitive Advantage					
Predictors: (Constant), Innovation, Strategic Leadership, Organizational Resources, Corporate Culture					

The regression model beta coefficients were also established and presented in Table 11. The beta coefficient for strategic leadership indicated that it has a positive and significant influence on sustainable competitive advantage (β = 0.861; P-Value < 0.05). This implies that an improvement in strategic leadership can significantly increase sustainable competitive advantage by 0.861 units. The results are consistent with that of a study by Koech and Were (2016) who indicated that strategic leadership had a significant influence on firm performance.

The results also established that the beta coefficient for corporate culture was positive and significant to imply that it has a significant influence on sustainable competitive advantage (β = 1.015; P-Value < 0.05). This implies that an improvement in corporate culture can significantly increase sustainable competitive advantage by 1.015 units. Consistently, Ding et al. (2019) also indicated that corporate culture was significant in improving firm performance. Similarly, innovation had a positive and significant influence on sustainable competitive advantage (β = 0.391; P-Value < 0.05). This implies that an improvement in innovation can significantly increase sustainable competitive advantage by 0.391 units. Similarly, Gunasekaran et al. (2017) showed that innovation was a significant driver of firm success.

The results also established that the beta coefficient for organizational resources was positive but not significant to imply that it has an insignificant influence on sustainable competitive advantage (β = 0.016; P-Value > 0.05). This insignificance is demonstrated by the moderate adoption rate of some organizational resource practices such as development of internal knowledge management and sharing frameworks, management regarding staff as valuable asset for organization competitive advantage, allowing employees in decision-making as well as specification of roles and tasks in the organization. An improvement in adoption of these practices can thus lead to an improvement in competitive advantage. This is consistent with Jogaratnam (2017) who also revealed that organizational resources when well aligned, can significantly improve firm performance.

Table 11 Model Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	**Std. Error**	**Beta**	**t**	**Sig.**
(Constant)	2.205	0.169		13.071	0.000
Strategic Leadership	0.861	0.079	0.891	10.856	0.000
Corporate Culture	1.015	0.081	1.150	12.533	0.000
Organizational Resources	0.016	0.081	0.017	0.200	0.842
Innovation	0.391	0.079	0.443	4.968	0.000
Sustainable Competitive Advantage					

CONCLUSION

The study findings led to the conclusion that the insurance firms have adopted strategic leadership to a high extent. As a result, it has a significant influence on sustainable competitive advantage and that an improvement in strategic leadership can significantly increase sustainable competitive advantage. The study also concludes that even though corporate culture practices were implemented to a moderate extent in the insurance industry, its influence on sustainable competitive advantage was positive and significant and that further improvement in corporate culture can significantly increase sustainable competitive advantage.

Another conclusion is that organizational resources have been managed moderately among the insurance firms and that has led to an insignificant improvement in their sustainable competitive advantage. Lastly, it was concluded that even though the insurance firms have adopted innovation to a moderate extent, its influence on sustainable competitive advantage was positive and significant and that further improvement in innovation can significantly increase sustainable competitive advantage.

RECOMMENDATIONS

Since strategic leadership can significantly improve sustainable competitive advantage, the study recommends insurance firms to improve these practices. Specifically, those practices which have moderately been adopted, that is having leaders who encourage staff to step up their contribution to corporate purposes, having a participatory leadership culture as well as a leadership that consults and equips workers with sufficient knowledge and skills set required should be improved. The study recommends an improvement in the corporate culture to a great extent in order to realize even more significant impact on sustainable competitive advantage. Some of the practices that have been implemented to a moderate extent such as having executives who trust staff to make critical decisions in the organization, having an open-door communication and consulting culture, having staff in the organization who have shared relationships and adhere to core values, making participatory decisions, properly communicating shift management within all the departments and having a philosophy of consistent transparency should be improved significantly.

Additionally, there is a need for provision of adequate training to allow staff to cope with management changes, having staff who are well educated on the changes to be made and the method of implementation as well as having proper reward system for staff remuneration including bonus and overtime pay. Given that organizational resources have a positive influence on sustainable competitive advantage, the study recommends an improvement in some of the moderately implemented practices. This can help to improve sustainable competitive advantage significantly since it is currently insignificant because of deficient implementation of practices such as development of internal knowledge management and sharing frameworks, management regarding staff as valuable asset for organization competitive advantage, allowing employees in decision-making as well as specification of roles and tasks in the organization.

Since it was established that implementation of innovation can significantly improve sustainable competitive advantage of insurance firms, the study recommends the firms to enhance adoption of some of the practices they have moderately implemented. These include encouraging staff to brainstorm and share new ideas and ways of running the insurance business, having a great reward system for staff and partners on innovative solutions to power insurance business growth, investing in innovation, having a research and development team for design and development of emerging products and services as well as sharing a link within a direct network between actors.

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CONFLICT OF INTEREST

No potential conflict of interest has been recorded by the authors.

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