EFFECTS OF SERVICE QUALITY ON PERFORMANCE OF LIBERTY LIFE ASSURANCE KENYA LIMITED
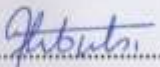
TOM LIBUTSI OBUKANGA

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI,

2019

DECLARATION

This project research is original piece of work and has not been submitted for an award of a degree in university of Nairobi or any other.

Signature......*Obutsi*...... Date......5/12/2019

Tom Libutsi Obukanga

Reg No. D61/76191/2012

This project has been presented for examination with my approval as the University Supervisor.

Signature......*Nyamila*...... Date......5/12/2019

Mr. Jacob Nyamila

Lecturer Department of Insurance and Risk Management

University of Nairobi

ACKNOWLEDGEMENTS

DEDICATION

I dedicate this project to my valued family – my wife Louisa Ndanu Obukanga and our children Natasha and Elsie whose love, patience, support and encouragement I have enjoyed throughout my study time.

ABBREVIATIONS AND ACRONYMS

COMESA   Common members OF East and South Africa.

TQM   Total Quality Management

IRA   Insurance Regulatory Authority.

AKI   Association of Kenyan Insurers.

SPSS   Statistical Package for Social Science.

EAC   East Africa Community

ALICO   American Life Company

CFC   Credit Financial Services

SADC   Southern Africa Development Community

TABLE OF CONTENTS

LIST OF TABLES

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Service quality is key in sustainability of business in a competitive market place. In order to survive in the highly competitive service environment, it is imperative for service industries to provide high quality services to customers. Most service organisations are now shifting from product-based view to customer centric in order to differentiate themselves against the competition. Customers know what to expect from a quality service (Kandampully, 1998). Service industries are increasingly focused on obtaining a sustainable competitive edge in a competitive and turbulent business environment (Collins, 2002). The main determinant of performance currently is ensuring the delivery of quality services across the company's supply chains (Sum, Teo & Ng, 2001). High demand for high quality services by customers has caused more organizations to acknowledge that they will have to offer high quality services and products so as to successfully compete in the business environment.

This study will be anchored on Service Quality Theory, which focuses on quality of service as perceived by customers based on their expectations. This was conceptualized by Parasuraman, Zeithaml & Berry (1985) by adopting the of Churchill's (1979) framework in which measures of marketing constructs were developed. The study opines that the firm's service quality can be assessed by clients through comparison of their perceptions of service against their own expectations. However, Gronroos pointed out that the service quality by Parasuraman does not describe the following aspects; technical, functional and image. Gronroos (1984) defined technical quality as dimensions of service that are comparatively quantified by customers in their endeavors

with a service company. The study also utilizes the Technical and Functional Quality Theory which argues that technical quality is an accepted index for assessing service quality since it can be measured easily (Palmer, 2014).

Service is one of the core values of Liberty Life Assurance Kenya Limited. Customer focus is one of the key items in the balanced scorecard for senior management. This would make Liberty Life Assurance a good reference point for the study as a company that places high value on customer service importance and invests significant resources in improvement of performance through quality service. The study will also enable assess if indeed there is a positive return on quality that positively impacts a company's performance.

1.1.1 Concept of Service Quality

Service Quality is made of quality and service. Quality is a degree of excellence in something. It is what sets a thing apart. It means all activities a business will engage on day to day basis in order meet the customer needs. On the other hand, service, is an act of doing something. In economics, service is an intangible commodity. Service quality is therefore a degree of excellence in intangible activity. Business dictionary describes service quality as an evaluation of the degree to which the service meets the expectation of a customer. Zeithaml and Bitner (2003) describe service quality as a thorough evaluation which examines the perception of the customer on specific dimensions of service namely; reliability, assurance, responsiveness, tangibles and empathy.

Different stakeholders such as organisations, customers, academicians, practitioners (Negi, 2009) have taken a lot of interest in service quality. Defining and monitoring the quality of a tangible product is different from describing and monitoring the quality of

a service (Baron, Harris & Hilton, 2009). Quality is the chief source of profitability in the long term, improved patronage and competitive advantage (Vorhies& Clow 1993). Unlike the manufacturing firms which produce tangible items, in-tangible products are produced by service organizations. Normally, complete service products cannot be touched or seen but are rather experienced. For instance, repairing a car, providing technical advice, learning at the university are forms of services. The product's intangible form makes the definition of product quality hard (Baron, Harris & Hilton, 2009).

Gronroos (1984) opines that a services' perceived quality is an outcome of the evaluation process of the customer. In this evaluation process, the customer does a comparison of their expectations of service delivery and its outcome to their perceptions. Service quality reflects particular customer service perceptions: reliability, responsiveness, tangibles and assurance (Zeithaml & Bitner, 2003). Service quality influences customer satisfaction through performance.

1.1.2 Organizational Performance

Performance is described as how well a firm is able to utilize its available resources in accomplishing its set targets and goals (Odemba, 2013). Traditionally, organizations have measured their performance largely on the basis of financial indicators such as sales, profits, and return on investment. Wilson et al. (2012) observed that this approach has resulted in companies emphasizing financials to the exclusion of other important performance indicators. In recent years, many organizations have adopted the use of balanced scorecard to measure organizational performance; an approach that Wilson et al. (2012) considers to be holistic and more comprehensive in measuring performance.

The Balance Scorecard is a comprehensive measurement tool that takes into account both financial measures and the non-financial measures in an organization (Kaplan & Norton, 1992). The measurement and tracking of performance is done using various dimensions for instance customer service, financial performance, employee stewardship and social responsibilities. The balanced scorecard therefore brings together the performance elements that were previously in separate reports, enabling senior managers consider all the vital performance measures together and provides a holistic view of an organization's performance (Chacha, 2016).

1.1.3 Insurance Companies in Kenya

The main mission of an insurance company is to satisfy personal needs with products that protect them from financial losses. Three broad categories of insurance firms include: Life insurance companies, Health insurance companies, casualty and property insurance firms. Kenya's insurance sector is governed by the Insurance Act while the all the undertakings of the sector are governed by the Insurance Regulatory Authority. Currently there are fifty. One insurance firm operating fully in Kenya according to (AKI) (2017), Sixteen (16) of which transact long term insurance business only, twenty-five (25) transact general insurance business only, while ten (10) are composites.

Composite insurance companies are those companies that provide both life and general insurance services. Kenya insurance companies have been expanding beyond the country into the region covering East Africa Community, COMESA and SADC. This has been dictated by the varied insurance services of those who want to be insured as their interest could be in transport and communication, tourism, manufacturing and construction across the area to be insured by the same company. Due to this compelling

task, insurers have been forced to establish offices across East, Central and some parts of Southern Africa (AKI, 2017). The systematic review of the customer's needs such as prompt compensation of claims, simplification of process and offering flexible payment packages amount to quality service delivery which translates to higher organizational performance.

1.1.4 Liberty Life Assurance Kenya Limited

The Liberty Life Assurance Kenya Limited is an insurance company offering life services and has been providing Kenyans with various products and services over the last one and half century. In 1964, when it was incorporated in Kenya, it was known as the Kenya American Insurance Company Limited. The name of the organization was later changed to American Life Insurance Company (Kenya) Limited in 1987. Another transformation occurred in 2004 whereby ALICO Kenya was purchased by the CfC Bank leading to the formation of the CfC Life Assurance Company Ltd. Another merger occurred yet again in 2008 where CfC Bank merged with Stanbic bank transforming CfC Life into a different international group with Heritage Insurance (CfC Stanbic Holdings)

In the year 2011, Liberty Holdings Ltd was crowned as a strategic CfC Life and Heritage investor which boosted the performance of the CfC Insurance Holdings at the Nairobi NSE. In October 2014, CfC Life fully transformed to Liberty Life Assurance Limited. Liberty Life Assurance has a balance sheet in excess of USD 48 Billion with geographical reach in 15 countries in Africa. The company provides a variety of insurance products including Pension, Group life and Ordinary life. The proliferation of other players like banks calls for Liberty Life Assurance to focus strategically on

revenue momentum, improved profitability and increased customer retention. Achieving the three goals depend greatly on service quality.

1.2 Research Problem

The profitability of most Kenyan insurances has been anchored on how good their products are designed and what customers deem fit guided by insurance agents or brokerage firms with a hope that it will end when their policies come to an end. They offer products that are accepted with very few signs of quality. Customers rely very much on the brand image as a basis of perceived service quality (Gronroos, 1984). Insurance business being relationship based in most of its transactions, it's hard to compare prices; let alone quality due to its service nature that has little tangibility. Services are usually delayed and this leads to lack of post purchase valuation (Crosby and Stephens, 1987). As companies get under pressure to optimize returns on investment, most of them are beginning to change tact in order to retain their customers. There has been a shift from product focus to customer egocentric strategy. High service quality delivery is considered paramount and a vital strategy for success in a competitive business environment (Parasuraman et al., 2005).

Various studies that have been carried out have found conflicting results on Service Quality and how it affects performance. Alamro, Almajali, and AlSoub (2012) conducted a research to explore and identify the determinants of how insurance firms in Jordan performed between 2002 and 2007. The study found out that the main factors affecting performance to be liquidity, leverage and the size of the company. Asfaw (2015) explored the effects of service quality on satisfaction and loyalty among Ethiopian insurance firms and established that insurers must understand that the

6

customer loyalty and satisfaction levels is greatly influenced by service quality dimensions and the presence of premium quality service.

Locally, Omollo (2011) undertook a research on the influence of service quality management on Kenyan commercial banks' financial performance. The study established that service quality management was key in enhancing the financial performance. Doreen (2013) did a study on service quality and operational performance among tour firms in Kenya and established that despite the high level of implementation of different components of quality, firms still register low operational performance. These studies have not addressed fully the contribution of service quality practices to operational performance in insurance, as outlined in the balanced scorecard which is the study's research gap. This study seeks to answer the research question below: What is the effect of service quality on the performance of Liberty Life Assurance Kenya Limited?

1.3 Research Objectives

To determine the effect of service quality on performance of Liberty Life Assurance Kenya Limited.

1.4 Value of Study

Scholars, academicians and researchers in service organizations will attain better understanding on the subject of study. It will form background for further research in this area. The research findings are expected to contribute to a better understanding on the effects of service quality on performance of Liberty Life Assurance Kenya Limited and hence contribute to the available body of knowledge. The study's findings will further enrich existing knowledge on insurance management by explaining the

contribution of service quality towards attainment of higher performances. The study will also be used as a reference in future so as to advance more studies.

This framework enables managers from Liberty Assurance and the insurance industry at large to articulate how customers and their employees evaluate the quality of insurance service provided with regards to each dimension. Undertaking comparison of perceptions between customers and employees would allow them to allocate resources to different components of insurance in conjunction to the two customer groups.

Insurance companies can use the proposed instruments to get feedback on their performance on parameters of service quality as this will allow them to benchmark themselves against their competitors. The results will be used by Insurance Regulatory Authority to enforce service quality standards that insurance companies will need to comply with.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The section outlines theoretical foundations, measures of service quality, service quality and performance, challenges of service quality and summary of literature review.

2.2 Theoretical Foundations

This research is going to be anchored on the following theories; Service Quality Theory and Technical and Functional Quality Theory.

2.2.1 Service Quality Theory

Parasuraman, et al. (1988) advanced their service quality model after adopting Churchill (1979) framework which had been used to develop marketing constructs measures. They utilized focus groups that identified 10 correlated service quality dimensions. 97 items were generated from the dimensions. Every item was converted into two statements in order to measure perceptions and expectations. Rate for every item was taken from sampled of service users based on a seven-point scale strongly agree (7) and strongly disagree (1). Customers' perception of service quality was rated using the questionnaire after adopting Lovelock's (1983) classification that had be applied in five different organization. The 97-item tool was finalized and concluded by concentrating on the questions purely isolating between respondents having different perceptions while pointing out dimensions of the scale that determine the reliability of its components.

Previous studies show that customers' perception of quality is affected by multiple factors and their perception of quality is not one-dimensional. Service quality dimensions were identified through a study by Parasuraman, Berry and Zeithmal (2008). Their study classified service quality dimensions into five categories which apply across different service contexts namely assurance, reliability, empathy, responsiveness and tangibility. The five factors; tangibles, assurance, reliability, empathy and responsiveness are acronymed RATER by Buttle (1996). Parasuraman, Zeithmal, and Berry (1998) named this five-factor construct, service quality and this model has been used widely by researchers and practitioners.

Pitt et. al. (1995) and Lee and Kettinger (1994) were among the first adopters of the first service quality to the IS context. Their study utilized the service quality model to measure the service quality of the IS equation. Since many concerns have been presented regarding SERVQUAL suitability from the IS context (Pitt et al., 1997; Kettinger & Lee, 1997; Carr, 2007; van Dyke ,1999). Service quality analyses service quality from the angle of the difference between the expectations of a customer for a service offering and the perception of the customer quality of service received, requiring the respondents to respond to questions regarding both their perceptions and expectations (Parasuraman et. al., 1988).

Kaul (2005) states that service quality has been adopted as a tool to increase the consumer's value. It is a means of position in a competitive environment so as to meet the needs of the consumers. Parikh (2006) states that in-service organizations, the perceived service quality of the customer is considered as a key determinant of business performance. Service quality will accrue certain benefits to the firm such customer satisfaction and retention, low staff turnover, rise in share price, reduced operating

costs, increase in profit, positive word of mouth and the overall financial performance (Ladhari, 2009).

Service quality theory is applicable in this study in the perspective that it will help the management learn the way customers perceive the organization. Customers can rate the services of the organization and hence make the management improve in areas where the organization is not performing well. Ragavan and Mageh (2013) opine that service quality as perceived by customers signal out what was excluded from the previous encounter and the level of the fulfillment with their current performance level. Retaining a customer is more important than attracting new customers (Hartley and Ward, 2006).

2.2.2 Technical and Functional Quality Theory

Notwithstanding the popularity of the service quality model, Gronroos (1984) and Ladhari (2009) pointed out that the service quality does not describe the following aspects; functional, technical and image. Technical quality is an accepted basis for assessing service quality since it can be easily measured. Gronroos (1984) however pointed out that this is not the only aspect that contributes to perceived service quality. The second quality dimension that he considered important is the functional quality. The functional quality is measures effectiveness in service delivery. On the other hand, Technical quality elements are more easily measurable than functional quality elements.

A firm's corporate image also influences the customer's perception of service quality. Corporate image is based both on both functional and technical quality (Palmer, 2014). Different studies have utilized various items to assess technical quality and the results

have shown no latent variable linked to technical-quality dimension (Powpaka, 1996, Cronin, 2001). There has to be a talent variable for instance service quality perception having an impact on both functional and technical quality dimension (Powpaka, 1996). The model is useful for the study since it estimates the relationship between the service delivery and the ideal combination of both technical and functional dimensions.

2.3 Service Quality Dimensions

Conflicting views have emerged on how best service quality can be measured (Palme, 2014). The effectiveness and efficiency of an organization can be assessed by measuring the extent to which the different components of service quality dimensions namely tangibility, reliability, assurance, responsiveness and empathy have been implemented. The physical nature of a service portrays characteristics of being tangible. For instance, the office layout, the appearance of workers, texture and communication materials are some of the examples of tangibles (Sirakaya &Bellin, 2005). Customer perceptions are influenced by how buildings and interiors are designed.

The ability of a service to meet a need accurately and independently is a characteristic of reliability construct. This could be obtained through provision of the right service and fulfillment of pledged promises. Consistency in services and being dependable in performance should be a seamless process in service delivery. The more reliability is embraced by customers, the higher evaluation in retail service quality becomes (Ndbisi, 2006). According to Blose & Tankersley (2004), the way a service is performed influences customer's perception as long as it's done within agreed time lines. The service standards should be adhered to by the employees at the institution. This improves the perceived customer quality (Brink & Berndt, 2010). Inefficient service

delivery will result to customers drifting to competition where they feel services are better.

To be responsive is to be able to provide services to customers promptly. It's the urgency at which a customer's issue is handled. Convenience in operating hours, a keen ear to customer's need, employee's politeness and the time the office opens its doors to service are key at this stage (Kumar et al., 2010). On the other hand, assurance entails security and courteousness of services. According to Arasli et al. (2005), assurance is when trust, employees' knowledge and confidence in serving customers is put to test. Competence, security and credibility of employees are all attributes of assurance construct. High interactions between the customer and the organization call for politeness on side of employees in evaluating service quality.

Empathy refers to personalized service towards customers. It includes attention that is given to customers, timeliness, understanding customer needs and being able to handle problems that arise out of the interaction with the customer. Acceptance and/ or rejection of a service by the customer will solely depend on the personalized service being extended towards him. The ability to respond to the needs of the customer with urgency is a game changer when it comes to empathy. Companies have taken an extra cost in training of their staff with a view of instilling in them the virtue of how to handle customers.

2.4 Service Quality and Performance

Quality service ensures that the customer is unlikely to switch to competitors thus ensuring that customers readily purchase the products introduced by the new organisation. This results to consistence in sales growth thus reduced operational costs

and higher organizational performance (Ngari, 2014). Quality is a strong tool in each sector of the market as it allows companies to increase their competitiveness and grow their market share while increasing loyalty levels and customer satisfaction (Demir & Demir, 2015). A culture of quality commences when management begins to appreciate the need to focus on customer as a key tool for success. This leads to a culture where conducive internal environment automatically boosts the customers' loyalty (El Safty, 2011). Deming 's philosophy defines quality as a management responsibility which must be generated and created by managers through appropriate systems.

According to Schlesinger and Heskett (1991), revenues could be generated so as to uphold the association between the administration and the client. This was upheld by the observations of Parasuraman et al. (1985) who opined that the quality of service can either be low or high depending on the expectations of the customer (Zeithaml *et al.*, 1990). These revealed that, motivating employees to response quickly to a frustrated customer can turn the customer into a satisfied one, hence, ensure customer retention.

2.5 Empirical Review and Knowledge Gaps

There is a remarkable interest by institutions to use service quality as a tool to improve their performance. Researchers of service quality agree through their studies that service quality is a concept that can be relied on as a provision of quality. In the global context, Almajali, Alamro and AlSoub (2012) conducted which sought to investigate the factors which mostly influence the financial performance of Insurance firms in Jordan. The survey population constituted all insurance firms quoted at the Amman stock Exchange between the time frame 2002 and 2007 which were twenty-five insurance companies. Statistical techniques such as Multiple Linear regression and T-

test were utilized for data analysis. The findings indicated that leverage, firm size, liquidity and competence of the management had a positive significant impact on the insurance firm's financial performance situated in Jordan. It was recommended that increase in firms' assets will enhance the financial performance and there thus the top managerial staff should constitute highly qualified personnel. The study concentrated on various factors that influence performance in general but the current study is more specific as it will only concentrate of the effect of service quality on performance of Liberty Life Assurance.

In the local scene, Omollo (2011) investigated the major effect that concept of total quality has on Kenyan commercial banks' management. It aimed at specifically identifying the objectives and evaluating the association that exists between the commercial banks' financial performance in Kenya and TQM practices, to identify the challenges facing banks in the implementation of TQM and establish ways to deal with the challenges, and to enhance the quality of customer service by employees through TQM practices. The survey used both structured questionnaires with open and closed-ended questions and data analysis methods were content analysis and descriptive statistics. The study's conclusion was that the commercial banks had a neutral perception with respect to TQM as well as financial performance. The study recommendations were that the management of commercials banks should set fundamental TQM policies and strategies to ensure that the policies are instituted. It was also recommended that management should develop a new modern framework that can enable them cope with the tough challenges, which mainly include technology and competition, in the market in provision of their services. This study examined TQM

and financial performance whereas the present study will look into service quality and financial performance.

Doreen (2013) also did a research sought at exploring the relative significance of service quality components and how they impact on operational performance of firms in tourism industry. The analysis method utilized was descriptive statistics. The findings of the study were that both technical quality and functional quality needed to be enhanced, with functional quality demanding high priority and corporate image falls into areas that require more improvement. Further findings indicated that service quality components are placed a similar level of importance by both small and micro enterprises and medium-internationally affiliated firms although they are still unsuccessful in attaining high operational performance. The context of this study was different in that it focused on the tourism industry whereas the current study will be the insurance sector.

2.6 Summary of Empirical Studies and Knowledge Gap

Several researches have been done on the concept of effects of service quality on performance and the challenges in service quality delivery. However, there are knowledge gaps which emanate from the empirical literature. The Table 2.1 highlights these research gaps.

Table 2.1: Summary of Empirical Studies and Knowledge Gap

Researcher	Focus area of study	Methodology	Key Findings	Knowledge Gap(s)
Almajali, Alamro and AlSoub (2012)	The determinants of how insurance companies in Jordan perform between 2002 and 2007	Cross sectional survey	The study found out that the main factors affecting performance to be liquidity, leverage and the size of the company	Context differing in terms of location. The study is based on insurance companies in Jordan while the present study focuses on insurance companies in Kenya. The study focused on determining the factors that determine the insurance firms' performance.
Parasuraman et al., (1985)	Physical facilities, equipment, and the appearance of personnel.	Cross sectional survey	Excellent hotels will have modem looking equipment	Physical facilities, equipment, and the appearance of personnel
Ghobian (1994)	The effect of service quality on customer satisfaction.	Cross sectional survey	Quality of service the is the key determinant of business performance	The gap between expectations and performance.
Omollo (2011)	Effect of service quality management on the financial performance of Kenyan commercial banks	Cross sectional survey	The survey established that service quality management was vital boosting the financial performance	The target population of the study was Kenyan commercial banks, and thus the findings might not be applicable to insurance sector
Doreen (2013)	Relationship between service quality and operational performance in tour operators in Kenya	Cross sectional survey	Despite the high level of implementation of different quality components, companies are still register low operational performance	Focused on tour operators in Kenya and thus might not be contextualized to the insurance sector

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section outlines the methodology approaches that were applied in collection and analysis of data so as to address the research objectives. It constitutes the research design, data collection techniques and analysis of data.

3.2 Research Design

This research used the descriptive research design. Its profiles events and situations accurately (Connaway and Powell, 2010). Therefore, it is the best strategy will meet the objectives of this study. According to Kombo and Tromp (2010), the objective of descriptive research is to describe attributes of the population. It should make specific predictions geared toward testing associations. The design is therefore suitable for this study it seeks to collect primary data from a determined sample population and use it to make both descriptive inferences and test associations between the dependent and independent variables.

3.3 Population of the Study

Population can be described as a set of all groups of individuals, items, objects, articles or things with same attributes (Mugenda and Mugenda, 2008). Kothari (2004) opined that population consisted all items in the field of inquiry. The target population for the study was 130 staff at the Head office and 200 single day walk in customers spread across five days at the Liberty Life Assurance Kenya Limited headquarters. The population is distributed as shown in the Table 3.1.

Table 3.1:Population of the Study

Category	Population	Percentage
Senior management	5	2%
Middle management	15	5%
Operational staff	110	33%
Customers (Daily)	200	61%
Total	**330**	**100%**

Source: Researcher 2019

3.4 Sample size and Sampling Techniques

Sampling is a procedure which draws inferences in accordance to the measurements of a section of the entire population (Gall et al. 2010). A sample is less costly and less time consuming (Connaway and Powell, 2010). Stratified random sampling was used to select the respondents. Senior, middle and lower management formed the strata from which the samples were randomly drawn. The main departments were Customer Service, National Sales Manager, ICT, Operations and Finance departments. In this design, the population had a chance of being selected equally in different strata. The sample size attained was 80 respondents out of a target population of 330. According to Mugenda and Mugenda (2008) formula, the sample size becomes; .

$$n = \frac{N}{1 + (N \; x \; e2)}$$

Where;

N = population size

e = Tolerance at desired level of confidence, take 0.05 at 95% confidence level

n = sample size.

How the formula is used is shown below

$$n = \frac{330}{(1 + (330 \; x \; 0.05 \; x 0.05))}$$

$$n = 80$$

Thus, the sample size,

$$n = 80$$

The determined sample size is distributed as shown in Table 3.2.

Table 3.2: Sample size

Category	Population	Percentage
Senior management	4	5%
Middle management	8	10%
Operational staff	20	25%
Customers	48	60%
Total	**80**	**100%**

Source: Researcher 2019

3.5 Data Collection

Primary data was utilized for the survey. Questionnaires as instruments of data collection should be less costly and minimal in time consumption (Gall *et al.*, 2010). The questionnaire was designed to have close ended question which directed the respondents' answer within the given choices. The questions to respondents were designed to capture the needed information. The questionnaires were given randomly in intervals of four customers that walk in. The same questionnaires were administered through a drop and pick to middle and operational staff for equal representation purpose of the target respondents. This is intended to minimize inconveniences during working hours.

3.6 Pilot Testing

Pilot testing is trial run in data collection intended to reveal errors in the design. Itsmain objective is to ensure validity and reliability of the tool to being used (Mugenda and Mugenda, 2008). 10 questionnaires were used prior to the main study. The purpose was to gauge the satisfaction of the responses after which expert opinion will be sought from my supervisor to suggest the corrections on the design of the questionnaires. The questionnaires will be dropped to the respondents' work stations with intentions of reducing non-response rate.

3.6.1 Reliability

Reliability a level or degree at which an assessment tool produces consistent and stable results (English dictionanry). If the score is similar regardless of the number of times a test is carried out it is considered reliable. The study used the Cronbachs' Alpha (α).

3.6.2 Validity

Validity shows the research has given results that are able to represent the actual phenomenon on the ground. Validity shows whether the survey truly measures that which it's seeks to measure. Tabulation of the findings of a pretest helps in ascertaining whether the questionnaire will meet the study's objectives. (Winter 2000). This study will use the pilot study to help improve research instrument's face validity. Validity was hence established in this study by seeking assistance from supervisors who the research experts are thus helping improve the content validity of the instrument.

3.7 Data Analysis

Saunders, Thornhill & Lewis (2009) stated that the data collected should be processed in order to obtain more meaningful information. The collected data must be cleaned, coded and should be analyzed properly. SPSS version 24c was utilized for data analysis. The study's descriptive elements were analyzed using descriptive statistics in form of percentages and frequencies. Regression analysis was utilized to determine the relationship between the dependent variable (Performance) and the independent variables which are tangibility, reliability, responsiveness, empathy and assurance,

The regression model of the study was be as depicted below;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5$$

Where;

Y = Organizational performance

β_0 = Constant (coefficient of intercept)

X_1 = Tangibility

X_2 = Reliability

X_3 = Responsiveness

X_4 = Assurance

X_5 = Empathy

ε = Error term

$\beta_1 \ldots \ldots \ldots \ldots \beta_5$ = Regression coefficient of the five variables.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research looked into the effects of service quality on performance of Liberty Life Assurance Kenya Limited. This section therefore presents findings based on the proposed methodology and procedures. The chapter comprised of the following sections; response rate, pilot results, background information, service quality and performance measures. The findings are presented in terms of tables

4.2 Response Rate

For the study, out of the 80 questionnaires administered to staff and walk in customers at Liberty Life Assurance Kenya headquarters, 60 were fully completed and returned. The overall response rate for the study was as presented in Table 4.1 below;

Table 4.1: Response Rate

Response	Frequency	Percentage (%)
Returned	60	86%
Unreturned	11	14%
Total	**80**	**100**

Source: Researcher 2019

The results in Table 4.1 indicate a response rate of 86%. Thus, the response rate was found viable as per Mugenda and Mugenda (2008) that a 70% response rate and above is good for analysis and making inferences.

23

4.3 Pilot Study findings

The Crobanch's Alpha was used to interpret the study's study scale which took any values from zero to one. According to Mugenda and Mugenda (2003), Crobanch's alpha should not be ≥ 0.7. Therefore, the Cronbach's alpha value of tangibility, reliability, assurance, responsiveness, and empathy were all above 0.7.

Table 4.2: Pilot study findings

Factor (Scale)	Number of Items	Cronbach Alpha
Tangibility	10	0.82
Reliability	10	0.79
Responsiveness	10	0.83
Empathy	10	0.89
Assurance	10	0.91

Source: Researcher 2019

4.4 Demographic Characteristics

This section presents the respondent's demographic information and the company.

4.4.1 Gender

The study resolved to identify the genders of the respondents and the results are as shown in Table 4.3.

Table 4.3: Gender

Gender	Frequency	Percent
Male	33	65
Female	27	35
Total	**60**	**100**

Source: Researcher 2019

From the results, the researcher found out that 65% of the respondents were male and 35%were female. This indicated that there was gender diversity since both male and female were represented.

4.4.2 Age of the Respondents

The data on the age distributions of the respondents was collected and presented as shown in Table 4.4

Table 4.4: Age of the Respondents

Years	Frequency	Percent
20 -30 years	11	18
31-40 years	29	48
41-50 years	11	18
Above 50 years	9	16
Total	**60**	**100.0**

Source: Researcher 2019

The study established that 48.3% of the represented population was 31-40 years, 18.3% was 20-30 years, and 18.3% was 41-50 years and only 15% was more than 50 years. This shows that the most respondents were mature and able to answer the questions correctly.

4.4.3 Level of Education

The study sought to determine the education level of the respondent and result were represented in Table 4.5

Table 4.5: Level of Education

Level	Frequency	Percent
College	29	48
University	17	27
Post graduate	15	25
Total	**60**	**100**

Source: Researcher 2019

From the results, 48.0% of the respondents had attained college level, 27% were university graduates, and 25.0% were post graduates. This showed that the respondents were well educated hence able to articulate the questions correctly.

4.4.4 Employee Duration in the Company

The study investigated the years the employees had been in liberty life assurance Kenya limited and the results were presented in Table 4.6.

Table 4.6: Duration in the Company

Years	Frequency	Percent
less than 3 years	20	33
3-9 years	18	30
9-12 years	16	27
above 12 years	6	10
Total	**60**	**100.0**

Source: (Researcher, 2019)

The findings of the study revealed that 33.3% of the respondents had stayed for less than 3 years, 30.0% had stayed for3-9 years, 26.7% stayed for 9-12 years and only 10.0% had stayed for more than 12 years. This indicated that the company had started offering quality services to acquire new customers since most of the respondents had stayed in the company for less than 3 years.

4.4.5 Duration in the Company

The investigator explored the number of years the customer had been in liberty life insurance Company; the results are presented in Table 4.7

Table 4.7: Duration in the Company

Years	Frequency	Percent
less than 3 years	6	16
3-9 years	19	50
9-12 years	9	23
above 12 years	4	11
Total	**38**	**100**

Source: Researcher 2019

The finding indicated that 50% of the customers had stayed for 3-9 years in the company, 23 % for 9-12 years, 16% foe less than 3 years and 11% for more than 12 years. This was an implication that the company was offering quality services to its customers and was able to sustain many clients for a longer period.

4.4.6 Year of Experience

The number of years employed by liberty life assurance Kenya limited amongst the respondents was collected and presented in Table 4.7.

Table 4.8: Year of Experience

Years	Frequency	Percent
Less than 2 years	6	10
2-5 years	26	43
6-10 years	17	29
Above 10 years	11	18
Total	**60**	**100**

Source: (Researcher, 2019)

The study found out that 43% of those interviewed had worked for 2-5 years, 29% worked for 6-10 years, 18% worked for not more than 2 years and 10.0% worked for more than 6 years. This showed that majority of those respondents had clear information about the company and hence they were able to answer the questions accordingly.

4.5 Tangibles

The study proposed a number of statements on which the respondents were required to indicate their level of agreement with each on a scale of 1-5 with 1 being strongly disagree while 5 is strongly agree. The study then computed mean and standard deviation of each statement.

Table 4.9:Tangibles

Statement	Mean	Std. Dev.
The corporate colors of Liberty Life Assurance (K) Ltd are appealing	3.60	0.99
The physical offices of the Company are always kept clean	3.80	0.86
Communication from the Company are done on the letter head	4.16	0.91
Office layout of the Company is neat	3.70	0.63
Exterior of this organization is visually appealing.	3.61	0.82
Interior of this Company is visually appealing.	3.85	0.92
The working space is adequate.	3.61	0.79
Employees in this insurance company are well groomed.	3.65	0.82
The equipment at liberty assurance are modern	4.10	0.95

Source: (Researcher, 2019)

The study's respondents agreed that Communication from the Company was done on the letter head (M= 4.16, SD= 0.9) and that the equipment at liberty assurance were modern (M=4.10, SD=0.95). Palmer (2014) Argued that a firm's corporate image also influences the customer's perception of quality service. Corporate image is based both on both the functional and technical quality. The respondents also agreed that interior

of that Company was visually appealing (M= 3.85, SD= 0.92), the physical offices of the Company were always kept clean (M= 3.80, SD= 0.86). This in line with Jin and Kim (2002) who disclosed that physical appearance represent the tangibles of the service. This has led to the introduction of uniform throughout the country the interior design and premises affect the customer's perception.

From the results, respondents construed that office layout of the Company was neat (M= 3.85, SD 0.93) and also employees in their insurance company were well groomed (M= 3.61, SD= 0.82). Furthermore, respondents revealed that the working space was adequate (M= 3.61, SD= 0.79) and the corporate colors of Liberty Life Assurance (K) Ltd were appealing (M= 3.60 , SD= 0.99).

4.6 Reliability

Respondents of the study were required to give their level of agreement about the statements on reliability. This question attracted various statements from the respondents who took part in the study.

Table 4.10: Reliability

Statement	Mean	Std. Dev.
This Company keeps its promises to customers	3.62	0.83
This Company strives to provide the right service to each customer	3.30	0.72
This company is consistent in delivery of services to its customers	3.83	1.08
The insurance company compensates its clients without much strain or follow-ups	3.64	0.92
The insurance company provides the service correct the first time	3.94	0.90
The insurance company maintains mistake free records	3.96	0.96

Source: (Researcher, 2019)

From the results the respondents alluded that the insurance company maintains mistake free records (M= 3.96, SD= 0.96), the insurance company provided the service correct the first time (M= 3.94, SD =0.90) and also the company was consistent in delivery of services to its customers with a mean of 3.83 and a standard deviation of 0.88. This in line with Tankersley & Blose (2004) believes, client's perception is affected by the type of service delivery based on the promptness. Respondents also agreed that the insurance company compensated its clients without much strain or follow-ups (M= 3.64, SD= 0.92) and the Company keeps its promises to customers (M= 3.62 , SD= 0.72). Respondents were not sure whether this Company strives to provide the right service to each customer (M= 3.30 , SD= 0.83).

4.7 Responsiveness

The respondents were asked to suggest ways in which responsiveness in their organizations could be more attractive to the customers.

Table 4.11: Responsiveness

Statement	Mean	Std. Dev.
Company employees provide prompt services to clients	3.82	0.95
The Company settles claims on timely basis	3.23	0.76
Employees of this insurance company are willing to listen to and assist clients	3.63	0.91
The waiting time at the insurance company is minimal before the service is offered	3.65	0.69
Employees of this company provide clients with information they require.	3.73	0.92
The turnaround time on customer queries is satisfactory.	3.91	0.88

Source: (Researcher, 2019)

From the results, respondents agreed that the turnaround time on customer queries is satisfactory (M= 3.91, SD= 0.88) and company employees provided prompt services to clients (M= 3.83 , SD= 0.95). according to Ndubisi (2006) pointed out that providing right service, consistence and dependability of services and performance is executed concurrently. It was also agreed that employees of the company provided clients with information they require (M= 3.73M, SD= 0.92) and the waiting time at the insurance company was minimal before the service was offered with a mean of 3.65 and a standard deviation of 0.69. Moreover, employees of the insurance company were willing to listen to and assist clients (M=3.63, SD= 0.91) but they were neutral that the Company settles claims on timely basis (M= 3.23, SD= 0.76).

4.8 Assurance

The study explored the different opinions of the respondents concerning different statements on assurance. The findings are as depicted Table 4.12.

Table 4.12: Assurance

Statement	Mean	Std. Dev.
I am confident about the services of this insurance company	3.89	0.76
Employees are polite to the clients	4.63	0.81
This Company has well qualified employees in each department	3.70	0.93
The employees in this Company are professional in their work	4.03	0.79
The policy document gives clear timelines when the service will be performed.	3.72	0.91
Employees give customers personalized attention	3.63	0.86
Employees in this Company are courteous	3.84	0.76
Employees are knowledgeable when interacting with clients	3.94	0.81
Employees in this company inspire trust in customers	3.75	0.93
Liberty Life Assurance serves its clients with consistency	3.68	0.79

Source: (Researcher, 2019)

From the results, the respondents strongly construed that employees are polite to the clients (M= 4.63, SD= 0.76) they agreed employees in the Company are professional in their work (M= 4.03, SD= 0.79) and employees were knowledgeable when interacting with clients (M= 3.94, SD= 0.81). Respondents agreed that they were confident about the services of the insurance firm (M= 3.89, SD= 0.76), employees in this Company are courteous (M= 3.84 , SD= 0.76) and employees in the company inspired trust in customers (M= 3.7, SD= 0.93). (Carr, 2007; van Dyke,1999) pointed out that Service quality analyses service quality from the angle of the difference between the expectations of a customer for a service offering and the perception of the customer quality of service received.

The results also showed that the policy document gave clear timelines when the service will be performed (M= 3.72 , SD= 0.91) ,the Company had well qualified employees in each department (M= 3.70 , SD= 0.93) ,liberty Life Assurance served its clients with

consistency (M= 3.68 , SD= 0.79) and employees give customers personalized attention (M= 3.63, SD= 0.86).

4.9 Empathy

Respondents of the study were asked to indicate their level of agreement about the statements on empathy. This question attracted various statements from the respondents who participated in the study.

Table 4.13: Empathy

Statement	Mean	Std. Dev.
This insurance company understands the needs of the clients.	3.81	0.90
This Company offers personalized care to customers	3.38	0.65
This insurance company provides individualized attention to its clients.	3.46	0.98
The company has best interest of clients at heart	3.58	0.86
The employees of this organization are caring to clients	3.65	0.92
The company communicates adequately with the clients	4.86	0.62

Source: (Researcher, 2019)

From the results, respondents strongly construed that the company communicates adequately with the clients (M= 4.86, SD= 0.62), respondents agreed that this insurance company understands the needs of the clients (M= 3.81 , SD= 0.90). This is in line with Kaul (2005) who states that service quality is being increasingly adopted as a tool to increase the consumer's value. It is a means of position in a competitive environment so as to meet the needs of the consumers. Respondents revealed that the employees of the organization are caring to clients (M= 3.65, SD= 0.92) and the company had best interest of clients at heart (M= 3.58, SD= 0.86). As to whether the insurance company

provided individualized attention to its client's respondents were not sure (M= 3.45 , SD= 0.98) and the Company offered personalized care to customers (M= 3.38 , SD= 0.65).

4.10 Performance

The study sought to establish opinions of the respondents concerning different statements on performance of the company and the results are presented in Table 4.14.

Table 4.14: Performance

Statement	Mean	Std. Dev.
This Company has witnessed a reduction of administration cost due to improved technology	3.91	0.73
Liberty assurance has witness's growth in its client base over the last three years	3.62	0.99
I would recommend a friend to join Liberty Life Assurance due to its superb service quality.	3.60	0.53
Products and services are tailored to meet customer needs.	3.66	0.90
Customer satisfaction	3.64	0.86
There is employee satisfaction	3.56	0.45
The asset base of the company has been growing over time	3.86	0.96

Source: (Researcher, 2019)

From the results, respondents agreed that the Company has witnessed a reduction of administration cost due to improved technology with (M= 3.91, SD= 0.73) and the asset base of the company had been growing over time (M= 3.86 , SD= 0.96). According to Powpaka (1996) noted that there has to be a talent variable for instance service quality perception having an impact on both technical and functional quality dimension

The respondents of the study agreed that products and services were tailored to meet customer needs (M= 3.66, SD= 0.90), there was customer satisfaction (M= 3.64 , SD= 0.86). This in line with AKI, (2017) who noted that the systematic review of the

customer's needs such as prompt compensation of claims, simplification of process and offering flexible payment packages amount to quality service delivery which translates to higher organizational performance. Furthermore they also agreed that Liberty assurance has witnesses growth in its client base over the last three years (M= 3.91 , SD= 0.73), they would recommend a friend to join Liberty Life Assurance due to its superb service quality (M= 3.60 , SD= 0.53) and there was employee satisfaction (M= 3.56 , SD= 0.45.)

4.11 Regression Analysis

The findings on regression beta and significance as ascertained by p-values are indicated in Table 4.15

4.11.1 Model summary

Table 4.15: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.770[a]	.593	.555	3.13173

Source: (Researcher, 2019)

The model summary produced a correlation coefficient of 0.770, implying a strong positive correlation between service qualities on performance of Liberty Life Assurance Kenya Limited. The R^2 of 0.593, implying that 59.3% changes in performance is attributed to service qualities, the other factors explain 40.7%.

4.11.2 Analysis of Variance

Analysis of Variance (ANOVA) was performed at 5% level of significance and the findings are indicated in Table 4.16.

Table 4.16: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	772.117	5	154.423	15.745	000b
Residual	529.616	54	9.808		
Total	**1301.733**	**59**			

Source: (Researcher, 2019)

The ANOVA analysis findings produced a p value of 0.000 which was lesser than the alpha 0.05 implying that service quality significantly affect performance of Liberty Life Assurance Kenya Limited. The significance of the model was further affirmed by an F critical value of 5.54 which was lesser than the F calculated value of 15.745.

Table 4.17: Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	**Std. Error**	**Beta**		
(Constant)	7.268	4.250		1.710	.091
Tangibles	.225	.068	.307	3.309	.002
Reliability	.449	.121	.363	3.711	.001
Responsiveness	.379	.146	.138	2.596	.006
Assurance	.226	.093	.258	2.430	.018
Empathy	.399	.129	.136	3.093	.028

Source: (Researcher, 2019)

The established regression becomes;

$$Y = 7.268 + 0.225X_1 + 0.449X_2 + 0.379X_3 + 0.226X_4 + 0.399X_5$$

Where Y = Performance

X_1 = Tangibles

X_2 = Reliability

X₃=Responsiveness

X4= Assurance

X5= Empathy

From the results, keeping all factors constant, performance of Liberty Life Assurance Kenya Limited remains at 7.268. A unit improvement in tangibles other factors held constant would lead to 22.5% increase in performance of Liberty Life Assurance. funit increase in reliability would lead to 44.9% increase in performance of Liberty Life Assurance Kenya Limited. A unit improvement in responsiveness other factors held constant would lead to 37.9% increase on performance of Liberty Life Assurance company. Further, unit increase in assurance would result to 22.6% increase e in performance of Liberty Life Assurance Kenya Limited and a unit increase in empathy would result to39.9% increase on performance of Liberty Life Assurance Kenya Limited

The study established that tangibles (p=0.02<0.05) have a significant impact on the performance of Liberty Life Assurance Kenya Limited. This conquers with Sirakaya and Bellin (2005).Tangibility is services that are physical in nature. This may take the form of materials for communications, the appearance of the office and the, layout and convenience of physical amenities.

Furthermore reliability (p=0.01<0.05) has a significant impact on performance of Liberty Life Assurance Kenya Limited and responsiveness (p= 0.06) had significant impact on the performance of Liberty Life Assurance Kenya Limited. This in line with Ndubisi (2006) who pointed out that providing right service, consistence and dependability of services, simultaneous execution of performance and fulfilling

pledged promises. The more the customers embrace reliability, the more the sum of evaluation of retail service quality.

The study also revealed that assurance (p=0.018) and empathy (p=0.028) had a significant effect on the performance of Liberty Life Assurance Kenya Limited while responsiveness (p= 0.06) also had a significant effect on the performance of Liberty Life Assurance Kenya Limited. According to Zeithaml and Bitner, (2003), Service quality reflects particular customer service perceptions: reliability, responsiveness, tangibles and assurance Service quality influences customer satisfaction through performance.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The analyzed findings are summarized in this chapter as guided and informed by the study objectives. The conclusions arising from the results with recommendations as informed and guided the specific objectives are also presented. The areas that further research is required are also presented.

5.2 Summary

The purpose of this study was to determine the effects of service quality on performance of Liberty Life Assurance Company. The researcher concentrated more on selecting distinct theories to explain about that research topic study. The summary of the findings are represented in the subsequent sections

5.2.1 Tangibles

The study found out that communication from the Company was done on the letter, the equipment at liberty assurance was modern and that the interior of that Company was visually appealing, the interior of that Company was visually appealing with and the physical offices of the Company were always kept clean, physical appearance represents the tangibles of a service. This had led to the introduction of uniform throughout the country the interior design and premises influences the customer's perception. Regression analysis revealed that a hike in tangibles improvr performance of Liberty Life Assurance Kenya Limited. From regression analysis, tangibles therefore significantly predicted performance of Liberty Life Assurance Kenya Limited.

5.2.2 Reliability

The study established that the insurance company maintains mistake free records, provided the service correct the first time and also the company was consistent in delivery of services to its customers and compensated its clients without much strain or follow-ups. Correlation results revealed that, there was a strong positive association between reliability and performance of Liberty Life Assurance Kenya Limited. An increase in reliability increases performance of Liberty Life Assurance Kenya Limited. From regression analysis, reliability therefore significantly predicted performance of Liberty Life Assurance Kenya Limited.

5.2.3 Responsiveness

The study established that the turnaround time on customer queries is satisfactory and company employees provided prompt services to clients. It was also established that employees of the company provided clients with information they require and the waiting time at the insurance company was minimal before the service was offered. The waiting time at the insurance company was minimal before the service was offered and responsiveness involve understanding customers' needs, convenient operating hours, safety of the customers, attention to problems and individual attention given by the staff Moreover, employees of the insurance company were willing to listen to and assist clients. Regression analysis revealed that which increases in responsiveness increases performance of Liberty Life Assurance Kenya Limited. From regression analysis, responsiveness therefore significantly predicted performance of Liberty Life Assurance Kenya Limited.

5.2.4 Assurance

The study revealed that employees were polite to the clients, and were professional in their work. Employees were also knowledgeable when interacting with clients and confident about the services of the insurance company. It was also revealed that employees were confident about the services of the insurance company in the organization. From regression analysis, assurance therefore significantly predicted performance of Liberty Life Assurance Kenya Limited.

5.2.5 Empathy

It was found out that the company communicates adequately with the clients, understands the needs of the clients, employees of the organization were caring to clients and the company had best interest of clients at heart. The study revealed that the employees of the organization were caring to clients the firm had best interest of clients at heart. Regression analysis revealed that an increase in empathy boosts performance at Liberty Life Assurance Kenya Limited. From regression analysis, empathy therefore significantly predicted performance of Liberty Life Assurance Kenya Limited.

5.3 Conclusion

The research concludes that communication from the Company was done on the letter, the equipment at liberty assurance was modern and that the interior of that Company was visually appealing. On the other hand, reliability on the other hand ensured that the insurance company-maintained mistake free records provided the service correct the first time and also the company was consistent in delivery of services to its customers and compensated its clients without much strain or follow-ups. The study concludes that service quality positively influences the organizational performance of Kenyan

insurance firms. The study also concluded that the five service quality dimensions have been adapted by Kenyan insurance companies.

Furthermore the study concludes that Responsiveness had a positive impact on performance of Liberty Life Assurance Kenya Limited since the turnaround time on customer queries was satisfactory, company employees provided prompt services to clients and employees of the company provided clients with information they require and the waiting time at the insurance company was minimal before the service was offered. Assurance improved company's performance where employees were polite to the clients, professional in their work and knowledgeable when interacting with clients and confident about the services of the insurance company. Finally, company communicated adequately with the clients, understood the needs of the clients caring to clients and the company had best interest of clients at heart.

5.4 Recommendation

The study recommends that communication from the Company should be done on the letter and the equipment should be modern and that the interior of the Company should be visually appealing to attract more customers. The study also recommends that insurance companies in Kenya should maintained mistake free records, provided the service correct the first time be consistent in delivery of services to its customers to create a wider market for their products and attract more customers.

The study recommends that Liberty Life Assurance companies should ensure that turnaround time on customer queries is satisfactory and company employees to provide prompt services to clients so as to maintain good relationship with its clients. Finally, the study recommends that employees should be polite to the clients, professional in

their work and communicated adequately with the clients to understand the needs of the clients whenever required.

5.5 Limitations of the Study

Data collection; the company was holding data very closely and were reluctant to issue information. The workers at the company have high confidentiality level and some of the employees were not willing to answer the questions. The company cooperated and gave adequate feedback thst has brought about edible document that will help the Liberty Life Assurance companies and students as well.

5.6 Suggestions and Further Research

This study recommends that further research be undertaken determine effects of service quality on performance of Liberty Life Assurance Kenya Limited. The research further advocates that a survey which covers a wideer area to be executed; it could cover the entire country of Kenya or across Africa.

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APPENDICES

Appendix I: Questionnaire for Employees

EFFECTS OF SERVICE QUALITY ON PERFORMANCE OF LIBERTY LIFE ASSURANCE KENYA LIMITED

The following questionnaire aims at collecting information and data for academic use by the researcher. Your kind participation will go a long way in providing useful information required to complete this research. You need not indicate your name. Please answer the questions precisely and objectively. The information will be treated confidentially

Section A: Respondents General information

1. Gender

   Male   [ ]   Female [ ]

2. Indicate your age bracket

   20-30 yrs   [ ]   31-40 yrs   [ ]

   41-50 yrs   [ ]   Above 50   [ ]

3. State your highest level of education

   Secondary level   [ ]   College   [ ]

   University   [ ]   Postgraduate   [ ]

4. For how long have you been in liberty life assurance Kenya limited?

   Less than 3 years [ ]   3 to 9 years   [ ]

   9 to 12 years   [ ]   Above 12 years   [ ]

5. What is your designation in your Company?

   _____

6. How many years have you worked in this organization?

Less than 2 yrs   [ ]   2-5 years   [ ]

6-10 years   [ ]   More than 10 years   [ ]

Section B: Customer Perspective of Service quality

7. This section aims at establishing Customers' perspective of Service quality at Liberty Life Assurance. Please rate the following concepts that describe the various indicators using a Liker Scale of 1–5 whereby 1 is strongly disagree 2 is disagree, 3 is neutral, 4 agree and 5 strongly agree.

Tangibles	SA	A	N	D	SD
The corporate colours of Liberty Life Assurance (K) Ltd are appealing					
The physical offices of the Company are always kept clean					
Communication from the Company are done on the letter head					
Office layout of the Company is neat					
Exterior of this organization is visually appealing.					
Interior of this Company is visually appealing.					
The working space is adequate.					
Employees in this insurance company are well groomed.					
The equipment at liberty assurance are modern					
Reliability					
This Company keeps its promises to customers					
This Company strives to provide the right service to each customer					
This company is consistent in delivery of services to its customers					
The insurance company compensates its clients without much strain or follow-ups					

The insurance company provides the service correct the first time					
The insurance company maintains mistake free records					
Responsiveness					
Company employees provide prompt services to clients					
The Company settles claims on timely basis					
Employees of this insurance company are willing to listen to and assist clients					
The waiting time at the insurance company is minimal before the service is offered					
Employees of this company provide clients with information.					
Assurance					
I am confident about the services of this insurance company					
Employees are polite to the clients					
This Company has well qualified employees in each department					
The employees in this Company are professional in their work					
The policy document gives clear timelines when the service will be performed.					
Employees give customers personalized attention					
Employees in this Company are courteous					
Employees are knowledgeable when interacting with clients					
Employees in this company inspire trust in customers					
Liberty Life Assurance serves its clients with consistency					
Empathy					

This insurance company understands the needs of the clients.					
This Company offers personalized care to customers					
This insurance company provides individualized attention to its clients.					
The company has best interest of clients at heart					
The employees of this organization are caring to clients					
The company communicates adequately with the clients					

SECTION C: ORGANIZATIONAL PERFORMANCE

8. Rate the extent to which the following statements related to performance are true using the following Likert scale where: 1= strongly disagree 2= Disagree; 3=Moderate 4=Agree 5= Strongly Agree

Performance	Respondents				
	1	2	3	4	5
This Company has witnessed a reduction of administration cost due to improved technology.					
Liberty assurance has witness's growth in its client base over the last three years					
There has been considerable growth in the company's market					
Products and services are tailored to meet customer needs					
Inter-departmental collaboration has contributed positively to customer response					
The performance of Liberty Life Assurance is rated highly in the industry					
Organization redesign has improved communication across the organization					
Organization redesign has improved collaboration across the organization					
Organization redesign has improved coordination across the organization					
The asset base of the company has been growing over time					

9. Are there any other ways not mentioned above that would greatly enhance performance of liberty life assurance Kenya limited?

_____

_____

Thank you for your cooperation!!

Appendix II: Questionnaire for Customers

AFFECTS OF SERVICE QUALITY ON PERFORMANCE OF LIBERTY LIFE ASSURANCE KENYA LIMITED

The following questionnaire aims at collecting information and data for academic use by the researcher. Your kind participation will go a long way in providing useful information required to complete this research. You need not indicate your name. Please answer the questions precisely and objectively. The information will be treated confidentially

Section A: Respondents General information

1. Gender

    Male   [ ]   Female [ ]

2. Indicate your age bracket

    20-30 years   [ ]   31-40 years   [ ]

    41-50 years   [ ]   Above 50years   [ ]

3. State your highest level of education

    Secondary level   [ ]   College   [ ]

    University   [ ]   Postgraduate   [ ]

4. For how long have you been a customer at liberty life assurance Kenya limited?

    Less than 3 years [ ]   3 to 9 years   [ ]

    9 to 12 years   [ ]   Above 12 years   [ ]

SECTION B: CUSTOMER PERSPECTIVE OF SERVICE QUALITY

5. This section aims at establishing Customers' perspective of Service quality at Liberty Life Assurance. Please rate the following concepts that describe the various indicators using a Liker Scale of 1–5 whereby 1 is strongly disagree 2 is disagree, 3 is neutral, 4 agree and 5 strongly agree.

Tangibles	SA	A	N	D	SD
The corporate colours of Liberty Life Assurance (K) Ltd are appealing					
The physical offices of the Company are always kept clean					
Communication from the Company are done on the letter head					
Office layout of the Company is neat					
Exterior of this organization is visually appealing.					
Interior of this Company is visually appealing.					
The working space is adequate.					
Employees in this insurance company are well groomed.					
The equipment at liberty assurance are modern					
Reliability					
This Company keeps its promises to customers					
This Company strives to provide the right service to each customer					
This company is consistent in delivery of services to its customers					
The insurance company compensates its clients without much strain or follow-ups					
The insurance company provides the service correct the first time					
The insurance company maintains mistake free records					
Responsiveness					
Company employees provide prompt services to clients					
The Company settles claims on timely basis					

Employees of this insurance company are willing to listen to and assist clients					
The waiting time at the insurance company is minimal before the service is offered					
Employees of this company provide clients with information.					
Assurance					
I am confident about the services of this insurance company					
Employees are polite to the clients					
This Company has well qualified employees in each department					
The employees in this Company are professional in their work					
The policy document gives clear timelines when the service will be performed.					
Employees give customers personalized attention					
Employees in this Company are courteous					
Employees are knowledgeable when interacting with clients					
Employees in this company inspire trust in customers					
Liberty Life Assurance serves its clients with consistency					
Empathy					
This insurance company understands the needs of the clients.					
This Company offers personalized care to customers					
This insurance company provides individualized attention to its clients.					
The company has best interest of clients at heart					
The employees of this organization are caring to clients					
The company communicates adequately with the clients					

SECTION C: ORGANIZATIONAL PERFORMANCE

6. Rate the extent to which the following statements related to performance are true using the following Likert scale where: 1= strongly disagree 2= Disagree; 3=Moderate 4=Agree 5= Strongly Agree

Performance	Respondents				
	1	**2**	**3**	**4**	**5**
This Company has witnessed a reduction of administration cost due to improved technology.					
Liberty assurance has witness's growth in its client base over the last three years					
I would recommend a friend to join Liberty Life Assurance due to its superb service quality.					
Products and services are tailored to meet customer needs.					
Customer satisfaction					
There is employee satisfaction					
The asset base of the company has been growing over time					

7. Are there any other ways not mentioned above that would greatly enhance performance of liberty life assurance Kenya limited?

_____

_____

Appendix III: Secondary Data Collection Sheet

Indicator	2014	2015	2016	2017	2018
Administration Costs					
Client Base					
Return on Investment					
Return on Capital					
Product Range Market Share (%)					