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Strategic Resource Alignment and Competitive Advantage of Insurance Companies in Kenya

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ABSTRACT

Purpose: This study examined the influence of strategic resource alignment on competitive advantage among insurance companies in Kenya. Specifically, the study focused on the alignment of human, financial, and technological resources with strategic objectives.

Methodology: The study adopted a descriptive research design targeting 168 senior managers including general, HR, and finance managers from all 56 licensed insurance companies in Kenya, using a census approach. Data was collected using structured questionnaires, and a pilot test was conducted to assess reliability and validity. Analysis was conducted using SPSS version 26 and employed both descriptive and inferential statistics.

Findings: Findings indicated that strategic human resource alignment had a moderate, positive, and statistically significant relationship with competitive advantage ($r = 0.450$, $p < 0.05$), accounting for 20.3% of the variance ($R^2 = 0.203$). Regression analysis revealed that this strategic human resource alignment accounted for 20.3% of the variance in competitive advantage ($R^2 = 0.203$). The regression coefficient ($\beta = 0.567$, $t = 5.794$, $p < 0.05$) supported the significant influence of HR alignment. Similarly, strategic financial resource alignment had a strong, positive, and statistically significant influence ($r = 0.532$, $p < 0.05$), explaining 28.3% of the variance ($R^2 = 0.283$). Regression results showed that financial resource alignment explained 28.3% of the variance in competitive advantage ($R^2 = 0.283$). The regression coefficient ($\beta = 0.570$, $t = 7.224$, $p < 0.05$) confirmed the strong and significant impact. Strategic technological resource alignment also demonstrated a moderate and significant influence ($r = 0.489$, $p < 0.05$), accounting for 23.9% of the variance ($R^2 = 0.239$). Regression results revealed it accounted for 23.9% of the variance in competitive advantage ($R^2 = 0.239$). The regression coefficient ($\beta = 0.427$, $t = 6.446$, $p < 0.05$) further confirmed its positive and significant influence.

Unique Contribution to Theory, Practice and Policy: The study recommends that insurance companies enhance competitiveness by adopting strategic HR practices, structured financial planning, and investment in appropriate technologies. It further calls for regulatory and industry-level support in the form of capacity building, policy frameworks, and innovation promotion to reinforce strategic alignment efforts.

Key Words: *Human Resource Alignment, Financial Resource Alignment, Technological Resource Alignment, Competitive Advantage*

Background of the Study

In the modern business landscape, where competition is fierce and market dynamics are constantly shifting, the alignment of strategic resources has emerged as a pivotal factor in determining the competitive advantage of enterprises across various sectors (Holbeche, 2022). As organizations navigate increasingly complex environments, the ability to effectively align their resources whether they are human, financial, or technological can significantly influence their operational effectiveness and overall performance. According to Holbeche (2022) this strategic alignment encompasses a deliberate and systematic approach to ensuring that an organization's resources are not only efficiently allocated but also aligned with its long-term strategic goals and objectives. The process of aligning resources facilitates better decision-making, enhances innovation, and ultimately drives superior business outcomes, making it a crucial area of study for researchers and practitioners alike.

The significance of strategic resource alignment is particularly pronounced when considering the specific components involved, such as strategic human resource alignment, strategic financial resource alignment, and strategic technological resource alignment (Ali, & Anwar, 2021). Strategic human resource alignment involves ensuring that a company's workforce is not only skilled but also fully engaged and aligned with the organizational vision, thereby fostering a culture of innovation and adaptability (Alfawaire & Atan, 2021). On the financial front, aligning financial resources with strategic objectives ensures that investments are channeled into high-impact initiatives that drive growth and enhance profitability (Gligor et al., 2020). Technological resource alignment plays an equally critical role, as organizations that effectively leverage technology to support their strategic goals can enhance operational efficiency and improve customer experiences (Al-Surmi, Cao, & Duan, 2020). The interplay of these alignment strategies significantly influences an enterprise's ability to maintain a competitive edge in the marketplace.

Statement of the Problem

The increasing globalization of markets, coupled with the highly competitive and rapidly evolving nature of the global business landscape, has given rise to an exceedingly dynamic and unpredictable environment for organizations across various industries. In response to this intense competition, organizations are not only tasked with identifying and addressing potential risks but also seizing new opportunities to outpace their rivals and ensure their long-term sustainability in the marketplace (Taghipour et al., 2020). To effectively navigate these competitive pressures and secure higher returns on investment, businesses must adopt distinctive, forward-thinking strategies and implement efficient, well-structured methods that are specifically designed to enhance their overall performance and competitiveness. This calls for a keen focus on strategic resource management, innovation, and the agility to respond to rapidly changing market conditions. Kenya's current business landscape is characterized by significant levels of volatility, unpredictability, and continuous transformation, which has particularly impacted industries such as insurance. Over

recent years, the Kenyan insurance sector has undergone numerous profound changes, spurred by factors such as financial reforms, technological advancements, economic growth, and the increasing globalization of financial services (IRA, 2019). These transformations have had a far-reaching impact on various aspects of the insurance industry, including productivity, operational efficiency, and the overall market structure. At the same time, these shifts have intensified the level of competition within the sector, creating numerous challenges that have constrained the industry's performance. Specifically, the insurance sector in Kenya faces persistent issues related to low penetration rates in critical areas such as product diversification, market share, and other performance metrics (IRA, 2019).

While the issue of low insurance penetration is not unique to Kenya and remains a global challenge, it is particularly pronounced in the Kenyan context. For instance, even in developed countries like the United Kingdom and the United States, insurance penetration rates stand at 11% and approximately 8.6%, respectively. However, Kenya's insurance penetration rate, which is currently at just 3.4%, falls below even the continental average of 3.65% (Swiss Re, 2020). This stark disparity underscores the existence of deeper, systemic issues within Kenya's insurance industry, raising important questions about the factors contributing to this underperformance. It is clear that the sector faces unique challenges that require further exploration and understanding, particularly with regard to how strategic resource alignment can influence competitive advantage.

In light of these pressing issues, this study aimed to delve deeper into the dynamics of Kenya's insurance industry by specifically focusing on the influence of strategic resource alignment on the competitive advantage of insurance companies operating within the country. By examining how insurance firms allocate, manage, and leverage their resources in response to competitive pressures, the study sought to uncover valuable insights that could inform strategies for improving the performance of these firms. Existing research lacks a comprehensive analysis of strategic resource alignment in Kenya’s insurance sector, particularly its impact on competitive advantage. Key gaps include the influence of human, financial, and technological resource alignment on market positioning, efficiency, and customer retention. In addition, most studies examine these resources in isolation rather than as an integrated strategy. This study aimed to bridge these gaps by providing a holistic perspective on how strategic resource alignment enhances competitiveness in Kenya’s insurance industry. Ultimately, this research intended to shed light on the critical role that strategic resource alignment plays in driving competitive advantage and fostering long-term growth and sustainability in Kenya’s insurance sector, amidst the challenges posed by an increasingly competitive and globalized marketplace.

Objectives of the Study

i To establish the influence of strategic human resource alignment on competitive advantage among insurance companies in Kenya
ii To determine the influence of strategic financial resource alignment on competitive advantage among insurance companies in Kenya

iii To assess the influence of strategic technological resource alignment on competitive advantage among insurance companies in Kenya.

Literature Review

Strategic Human Resource Alignment and Competitive Advantage

Talent acquisition and recruitment refer to the processes organizations use to identify, attract, and hire the most qualified candidates for open positions. This strategic function is essential for ensuring that a company has the right people in place to support its long-term objectives (Smith & Clark, 2022). Talent acquisition goes beyond simple recruitment; it encompasses the identification of workforce needs, building a strong employer brand, and implementing sourcing strategies that align with organizational goals. Recruitment, on the other hand, is a subset of talent acquisition, focused on the active search and selection of candidates to fill vacancies. When talent acquisition strategies are aligned with an organization's goals, companies are better positioned to hire individuals who possess the necessary expertise and cultural fit to contribute to the achievement of those goals (Lee & Gupta, 2024). Recruiting the right talent can enhance innovation, improve operational efficiency, and foster leadership within an organization. Companies that invest in comprehensive talent acquisition strategies are also more likely to build a competitive advantage by ensuring that their workforce is diverse, highly skilled, and capable of adapting to the changing demands of the market (Kumar & Roberts, 2021). Furthermore, a well-executed recruitment process helps organizations reduce turnover, ensuring that they retain valuable employees who align with the company's values and objectives, thus creating long-term stability and growth.

Training and development refer to the processes and initiatives an organization employs to enhance the skills, knowledge, and capabilities of its employees. These efforts are designed to ensure that employees are equipped with the competencies required to meet both current and future job demands, aligning their growth with the strategic objectives of the company (Garcia & Thomas, 2023). Training typically focuses on developing specific job-related skills and competencies, while development is more concerned with broader, long-term career growth and leadership capabilities. Effective training and development programs are integral to aligning the workforce with organizational goals, ensuring that employees not only meet immediate performance expectations but also contribute to the company's future success. When training programs are strategically aligned with the company's goals, they help employees develop the skills and competencies that are directly relevant to achieving organizational objectives (Simmons & Taylor, 2024). This alignment enables organizations to improve efficiency, reduce skill gaps, and enhance overall workforce performance, which directly impacts the company's ability to compete effectively in the marketplace. As businesses face increasing pressure to innovate and adapt to changing market conditions, a well-trained and continuously developing workforce can be a significant competitive differentiator. An organization that prioritizes employee development can create a more agile and knowledgeable workforce, better positioned to address challenges and capitalize on new opportunities.

Employee performance management refers to the systematic process of setting clear expectations, monitoring employee progress, providing feedback, and evaluating performance against predefined objectives. This approach is designed to ensure that individual performance aligns with the organization's strategic goals and overall vision (Jones & Carter, 2022). Performance management encompasses a range of activities, including goal setting, performance reviews, feedback sessions, and development plans. When performance management is aligned with the company's vision and objectives, employees are more focused on achieving results that contribute to business success (Williams & Turner, 2021). This strategic alignment ensures that employees understand their role in the organization's overall strategy, which motivates them to work more efficiently and innovatively. Employees who are consistently monitored and evaluated against clear, strategic goals can better prioritize their tasks, resulting in enhanced productivity and quality of work. A well-implemented performance management system also provides valuable insights into areas for improvement, helping the organization make informed decisions about training and development needs (Williams & Turner, 2021). Organizations with strong performance management systems tend to have higher levels of employee accountability, resulting in better outcomes and a stronger competitive position in the market.

Strategic Financial Resource Alignment and Competitive Advantage

Financial planning and budgeting refer to the processes through which an organization allocates its financial resources to achieve its strategic objectives. Financial planning involves forecasting future financial outcomes, setting financial goals, and determining the necessary resources to meet these goals (Martin & Cooper, 2023). Budgeting, as a component of financial planning, entails the creation of a detailed financial plan that outlines expected revenues, expenses, and investment requirements over a specific period. When financial resources are allocated in alignment with strategic objectives, companies can prioritize investments that support innovation, market expansion, and operational improvements (Lewis, 2022). Strategic financial planning ensures that the organization remains flexible and adaptable to changes in the external environment, allowing it to respond quickly to emerging opportunities or challenges. Budgeting aligned with organizational priorities helps maintain cost control while optimizing resource use, ensuring that financial resources are spent efficiently to support business strategies. This alignment fosters a strong financial foundation that enables the organization to stay competitive by making sound financial decisions that enhance productivity and long-term profitability.

Capital allocation refers to the process of distributing financial resources to various projects, investments, and initiatives within an organization to maximize value creation and align with its strategic objectives. It involves making decisions on how to deploy limited financial resources effectively to achieve long-term growth, profitability, and sustainability (Evans & Harris, 2022). Capital allocation is essential for optimizing financial performance, as it determines which projects or business areas receive funding and which do not, ultimately influencing the company's ability to meet its goals and maintain a competitive edge in the market. Aligning capital allocation with strategic goals enhances the company's ability to prioritize investments that directly contribute to

achieving competitive advantage. When capital is allocated in line with strategic priorities, organizations can focus on initiatives that drive innovation, improve operational efficiency, or expand market share (Wilson, 2023). Proper capital allocation helps ensure that resources are invested in areas with the highest potential for long-term value creation, whether through technology, market development, or cost reduction strategies. Organizations that align their capital allocation decisions with their strategic vision can better manage financial risks and seize growth opportunities, ensuring that investments are made in areas that support both immediate needs and future aspirations. Such alignment strengthens the company's capacity to compete effectively and adapt to changing market dynamics.

Financial risk management encompasses the systematic process of recognizing, evaluating, and addressing potential financial threats that may negatively impact an organization’s assets, overall profitability, and long-term sustainability. It involves the implementation of strategies and controls aimed at minimizing exposure to various financial uncertainties, thereby safeguarding the organization’s financial health and ensuring continued operational stability. This involves developing strategies to manage risks such as market volatility, credit exposure, liquidity risks, and operational uncertainties (Davis & Lee, 2022). Effective financial risk management requires the use of various tools and techniques to quantify risk and implement appropriate measures, such as hedging, diversification, and contingency planning. The goal of financial risk management is not only to minimize potential losses but also to ensure that financial resources are allocated in ways that support the organization’s strategic objectives while maintaining financial stability. Through proactive risk management, companies can protect themselves from external shocks and internal inefficiencies, allowing them to pursue growth opportunities with greater confidence.

Financial risk management alignment with an organization’s strategic goals provides a solid foundation for sustainable competitive advantage. When risk management strategies are integrated into the company’s overall strategy, they help ensure that financial resources are protected while still enabling investments in strategic initiatives that foster growth and innovation (Turner, 2023). The ability to mitigate risks effectively allows organizations to maintain a stable financial position, even during periods of uncertainty or market fluctuations. Financial risk management aligned with strategic goals enables decision-makers to focus on high-return opportunities while minimizing exposure to financial uncertainties. This alignment also enhances the organization’s reputation with stakeholders, as effective risk management demonstrates sound governance and operational resilience, which are crucial for long-term success. In turn, organizations are better positioned to outperform competitors who may be exposed to greater risks or fail to manage financial

Strategic Technological Resource Alignment and Competitive Advantage

Technology assessment refers to the systematic evaluation of technologies to determine their potential impact, feasibility, and alignment with an organization's strategic objectives. This process involves analyzing both current and emerging technologies to assess their applicability, benefits, and risks (Green, 2023). Technology assessment is crucial for organizations to identify innovative

solutions that can enhance their operations, improve efficiencies, or create new business opportunities. Technology assessment alignment with strategic goals allows companies to prioritize the adoption of technologies that will provide a significant competitive advantage. When technology is assessed in light of the organization's strategic direction, resources can be directed toward innovations that support business objectives, such as improving customer experiences, reducing operational costs, or enhancing product offerings (Stewart, 2021). Technology assessments that are integrated with strategic planning enable organizations to identify technologies that have the potential to drive differentiation in the market. Such alignment ensures that companies do not invest in technologies that are disconnected from their broader goals, avoiding wasted resources and enabling the company to stay ahead of competitors by focusing on transformative technological solutions that create value. It is this strategic alignment that makes technology a key driver of competitive advantage.

Innovation capability refers to an organization's ability to develop new ideas, processes, products, or services that create value and differentiate the company from competitors. This capability involves a combination of factors, including a culture of creativity, the availability of resources, and the organizational structures that support innovation (Chavez & Thompson, 2022). Aligning innovation capability with an organization's strategic technological resources enhances its competitive advantage by ensuring that technological advancements directly contribute to strategic objectives (Martinez & Lee, 2023). When technological resources are used to foster innovation, organizations can create new business models, products, or services that provide unique value propositions to customers. This alignment allows for the efficient deployment of innovation-related resources, reducing wasted efforts and maximizing the impact of innovation initiatives. Companies that align innovation with strategic technological resources can maintain an edge over competitors by continuously improving their offerings and adapting to technological advancements. This synergy helps companies not only survive but thrive in competitive markets, as their innovation capability becomes a key driver of growth and differentiation.

Resource allocation refers to the process of distributing an organization's financial, human, and technological resources in a way that maximizes its ability to achieve strategic objectives. This process is crucial for ensuring that the right resources are directed towards the most critical and value-generating activities (Davis, 2023). Resource allocation alignment with strategic technological resources enables organizations to prioritize investments that directly enhance their technological capabilities and competitive advantage. This alignment allows companies to allocate resources to areas where they can achieve the greatest return on investment, fostering innovation, improving operational efficiency, and driving growth (Brown & Taylor, 2022). Effective resource allocation within the framework of technological alignment ensures that organizations invest in technologies that enhance their market position, enabling them to stay ahead of competitors. Strategic alignment ensures that technological investments are not made in isolation but are directly linked to achieving key business outcomes. As a result, organizations that prioritize and

align resource allocation with their technological strategy position themselves for sustainable success in competitive markets.

Research Methodology

The study adopted a descriptive research design. The target population for the study comprised 168 senior managers from the 56 insurance companies. Target respondents included general managers, human resource managers, and financial managers from each of the insurance companies. The study used a census approach in which all members of the target population were observed. Primary data were collected through the use of structured questionnaires. A pilot study was undertaken to evaluate the appropriateness of the questionnaire by assessing its validity and reliability. The collected data were analyzed quantitatively with the assistance of SPSS version 26 software. Both descriptive and inferential statistical analysis methods were employed for data analysis. The results were systematically presented in tables and figures. Based on these findings, conclusions were drawn, and appropriate recommendations were formulated.

Response Rate

The primary data for this study was gathered through the distribution of structured questionnaires to a sample of 168 respondents drawn from various insurance companies operating within Kenya. Of the total questionnaires administered, 134 were correctly completed and submitted by the participants, resulting in a response rate of 79.8%. This level of response was considered sufficient to support robust statistical analysis and to enable the drawing of reliable and valid conclusions from the collected data.

Strategic Human Resource Alignment and Competitive Advantage

Descriptive Statistics for Strategic Human Resource Alignment

Table 1 reveals that a majority of respondents perceive strategic human resource alignment as crucial for competitive advantage in Kenyan insurance companies. About 48.5% believe their companies align HR strategies with organizational goals to enhance competitiveness. Additionally, 42.5% invest moderately in employee training, while 50.7% focus heavily on performance management systems. Talent retention is a priority for 41.8%, and 40.3% foster innovation through HR practices. Other key areas include aligning employee roles with strategy (38.1%), promoting collaboration (42.5%), implementing diversity and inclusion (39.6%), utilizing feedback (38.8%), and developing leadership capabilities (40.3%).

Table 1: Descriptive Statistics for Strategic Human Resource Alignment

Strategic Human Resource Alignment	VL	L	M	G	VG	Mean± SD
	%	%	%	%	%	
To what extent has your firm aligned its human resource strategy with overall organizational goals to enhance competitiveness?	0	9	32.1	48.5	10.4	3.60±0.795
To what extent has your firm invested in employee training and development to improve competitive advantage?	3.7	4.5	42.5	31.3	17.9	3.55±0.962
To what extent has your company implemented performance management systems to drive employee productivity?	0.7	5.2	32.8	50.7	10.4	3.65±0.768
To what extent has your firm retained top talent to maintain a competitive edge in the industry?	1.5	8.2	36.6	41.8	11.9	3.54±0.864
To what extent has your firm fostered a culture of innovation through strategic human resource practices?	1.5	7.5	32.8	40.3	17.9	3.66±0.910
To what extent has your firm aligned employee roles and responsibilities with organizational strategy?	1.5	8.2	35.1	38.1	17.2	3.61±0.917
To what extent has your firm encouraged collaboration among employees to achieve strategic objectives?	0.7	6.0	32.8	42.5	17.9	3.71±0.857
To what extent has your company implemented diversity and inclusion strategies to enhance workplace effectiveness?	0	10.4	37.3	39.6	12.7	3.54±0.846
To what extent has your firm used employee feedback to improve organizational performance?	0	12.7	35.8	38.8	12.7	3.51±0.873
To what extent has your company developed leadership capabilities to sustain a competitive advantage?	2.2	7.5	35.1	40.3	14.9	3.58±0.912

Correlation Analysis on Strategic Human Resource Alignment and Competitive Advantage

A correlation analysis was carried out to statistically examine the existence of a relationship between strategic human resource alignment and competitive advantage among insurance companies in Kenya. As shown in Table 2, the findings indicated a moderate positive correlation between the two variables, which was statistically significant ($r(134) = 0.450$, $p < .05$), suggesting a meaningful association. This outcome suggests that as strategic alignment of human resources improves within insurance companies, there is a corresponding positive influence on their competitive advantage. The statistical significance of the relationship further indicates that the observed association is unlikely to have occurred by chance and reflects a meaningful connection within the context of the industry.

Table 2: Strategic Human Resource Alignment and Competitive Advantage

	Strategic Human Resource Alignment	Competitive Advantage
Strategic Human Resource Alignment	1	
Competitive Advantage	.450**	1
Sig.	.000	
N	134	134

** Correlation is significant at the 0.01 level (2-tailed)

Regression Analysis on Strategic Human Resource Alignment and Competitive Advantage

Model Summary for Strategic Human Resource Alignment

Table 3 provides a summary of the regression analysis results aimed at evaluating the extent to which strategic human resource alignment influences competitive advantage within insurance firms operating in Kenya. This analysis offers insight into the strength and direction of the relationship between the predictor and outcome variables. The findings show that strategic human resource alignment explains approximately 20.3% of the variation observed in competitive advantage, as indicated by an R Square value of 0.203. This suggests that aligning human resource practices with strategic goals plays a notable role in enhancing the competitive position of firms in the insurance sector.

Table 3: Model Summary for Strategic Human Resource Alignment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.450[a]	.203	.197	.3385

a. Predictors: (Constant), Strategic Human Resource Alignment

ANOVA for Strategic Human Resource Alignment

An Analysis of Variance (ANOVA) test was conducted to assess the presence of a statistically significant linear relationship between strategic human resource alignment and competitive advantage. This test was essential in evaluating whether the variation in competitive advantage could be attributed to differences in strategic human resource alignment. As illustrated in Table 4, the results indicated a statistically significant model ($F(1,132) = 33.573$, $p < .05$). This confirms that strategic human resource alignment has a meaningful effect on competitive advantage and contributes significantly to explaining variations in performance across insurance firms.

Table 4: ANOVA for Strategic Human Resource Alignment

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.848	1	3.848	33.573	.000[b]
	Residual	15.127	132	.115		
	Total	18.975	133			

a. Predictors: (Constant), Strategic Human Resource Alignment
b. Dependent Variable: Competitive Advantage

Regression Coefficients for Strategic Human Resource Alignment

The regression coefficients shown in Table 5 reveal that strategic human resource alignment has a statistically significant and positive effect on competitive advantage ($\beta = 0.567$, $t(134) = 5.794$, $p < .05$). The derived regression equation suggests that a unit increase in strategic human resource alignment leads to a corresponding increase in competitive advantage by approximately 0.567 units. This emphasizes the importance of aligning human resource functions with organizational strategy to foster sustained competitiveness in the insurance industry.

$Y = 1.580 + 0.567X$

Table 5: Regression Coefficients for Strategic Human Resource Alignment

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.580	.341		4.630	.000
	Strategic Human Resource Alignment	.567	.098	.450	5.794	.000

a. Dependent Variable: Competitive Advantage

Strategic Financial Resource Alignment and Competitive Advantage
Descriptive Statistics for Strategic Financial Resource Alignment

Table 6 analyzes the influence of strategic financial resource alignment on competitive advantage in Kenyan insurance companies. It shows that 39.6% of organizations moderately allocate financial resources to strategic goals, while the same percentage optimize budgeting for better financial performance. A larger group (47%) prioritizes investments in growth opportunities, and 41.8% emphasize cost management for profitability. About 48.5% align financial planning with market trends, showing proactive management. Furthermore, 47% allocate funds for innovation, and 42.5% leverage financial reserves to mitigate risks. Lastly, 43.3% promote financial transparency, and 42.5% secure funding for strategic projects. This suggests that while funding efforts are underway, some firms may face constraints or adopt cautious financing strategies for future initiatives.

Table 6: Descriptive Statistics for Strategic Financial Resource Alignment

Strategic Financial Resource Alignment	VL	L	M	G	VG	Mean± SD
	%	%	%	%	%	
To what extent has your company allocated financial resources effectively to support strategic objectives?	4.5	8.2	39.6	35.8	11.9	3.43±0.961
To what extent has your firm optimized its budgeting process to enhance financial performance?	3.0	9.0	38.8	39.6	9.7	3.44±0.897
To what extent has your firm invested in growth opportunities to maintain a competitive edge?	1.5	5.2	36.6	47	9.7	3.58±0.798
To what extent has your firm ensured proper cost management to improve profitability?	0.7	3.0	38.1	41.8	16.4	3.70±0.804
To what extent has your firm aligned financial planning with market trends to remain competitive?	2.2	4.5	34.3	48.5	10.4	3.60±0.823
To what extent has your company leveraged financial reserves to mitigate risks and seize opportunities?	3.0	5.2	42.5	35.1	14.2	3.52±0.907
To what extent has your company utilized financial resources to support innovation initiatives?	2.2	5.2	32.1	47	13.4	3.64±0.862
To what extent has your firm invested in technology upgrades to improve operational efficiency?	1.5	7.5	38.1	35.8	17.2	3.60±0.910
To what extent has your firm ensured financial transparency to build stakeholder trust?	2.2	4.5	35.8	43.3	14.2	3.63±0.864
To what extent has your firm secured funding to support strategic projects and long-term goals?	3.7	6.7	42.5	32.1	14.9	3.48±0.956

Correlation Analysis on Strategic Financial Resource Alignment and Competitive Advantage

A correlation analysis was conducted to statistically assess the existence of a relationship between strategic financial resource alignment and competitive advantage among insurance companies in Kenya. As reflected in Table 7, the analysis revealed a strong positive correlation between the two variables, which was statistically significant ($r(134) = 0.532$, $p < .05$), indicating a meaningful and robust association. This finding suggests that insurance companies that strategically align their financial resources are more likely to experience enhanced competitive advantage. The strength and significance of this relationship imply that effective financial resource alignment plays a critical role in positioning firms more competitively within the industry.

Table 7: Strategic Financial Resource Alignment and Competitive Advantage

	Strategic Financial Resource Alignment	Competitive Advantage
Strategic Financial Resource Alignment	1	
Competitive Advantage	.532**	1
Sig.	.000	
N	134	134

** Correlation is significant at the 0.01 level (2-tailed)

Regression Analysis on Strategic Financial Resource Alignment and Competitive Advantage

Model Summary for Strategic Financial Resource Alignment

Table 8 displays the model summary resulting from the regression analysis carried out to evaluate the impact of strategic financial resource alignment on competitive advantage within insurance companies in Kenya. This summary provides key statistical indicators that help explain the strength and predictive power of the relationship between the two variables. The results reveal that strategic financial resource alignment explains approximately 28.3% of the variation in competitive advantage, as reflected by the R Square value of 0.283. This indicates that nearly one-third of the changes in competitive positioning across firms can be attributed to how effectively financial resources are aligned with strategic priorities.

Table 8: Model Summary for Strategic Financial Resource Alignment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.532[a]	.283	.278	.3210

a. Predictors: (Constant), Strategic Financial Resource Alignment

ANOVA for Strategic Financial Resource Alignment

To determine whether the relationship between strategic financial resource alignment and competitive advantage is statistically significant, an ANOVA test was carried out. The findings presented in Table 9 demonstrate that the regression model is statistically significant, as evidenced by the F-statistic ($F(1,132) = 52.183$, $p < .05$). This result confirms that the relationship between the variables included in the model is unlikely to have occurred by chance. This confirms the presence of a meaningful linear relationship between how financial resources are strategically aligned and the ability of insurance companies to maintain or enhance competitive advantage.

Table 9: ANOVA for Strategic Financial Resource Alignment

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.376	1	5.376	52.183	.000[b]
	Residual	13.599	132	.103		
	Total	18.975	133			

a. Predictors: (Constant), Strategic Financial Resource Alignment
b. Dependent Variable: Competitive Advantage

Regression Coefficients for Strategic Financial Resource Alignment

The regression coefficients shown in Table 10 provide further insight into the strength and direction of the relationship. The analysis revealed that strategic financial resource alignment has a statistically significant and positive influence on competitive advantage ($\beta = 0.570$, $t(134) = 7.224$, $p < .05$). The resulting regression equation formed implies that for every unit increase in financial resource alignment, competitive advantage is expected to rise by approximately 0.570 units. This underscores the importance of aligning financial resources with strategic goals in enhancing firm competitiveness within the insurance sector.

Y = 1.521+ 0.570**X**

Table 10: **Regression Coefficients for Strategic Financial Resource Alignment**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.521	.282		5.388	.000
	Strategic Financial Resource Alignment	.570	.079	.532	7.224	.000

a. Dependent Variable: Competitive Advantage

Strategic Technological Resource Alignment and Competitive Advantage

Descriptive Statistics for Strategic Technological Resource Alignment

Table 11 highlights how strategic technological resource alignment influences competitive advantage in Kenyan insurance companies. A significant portion (41.8%) of respondents reported that their companies adopt new technologies to improve operational efficiency, while 43.3% moderately align technological investments with business strategies. Additionally, 39.6% emphasized the use of data analytics for decision-making, and 40.3% implement digital platforms for better customer experiences. A higher proportion (45.5%) leverage technology to identify market trends and opportunities. Cybersecurity measures (42.5%) and automation (46.3%) are also prioritized, with companies investing in R\&D and technology for innovation and differentiation (43.3%). This suggests that while technological differentiation is being pursued, some companies may not be fully leveraging it as a unique selling proposition in the industry.

Table 11: Descriptive Statistics for Strategic Technological Resource Alignment

Strategic Technological Resource Alignment	VL %	L %	M %	G %	VG %	Mean± SD
To what extent has your firm adopted new technologies to enhance operational efficiency?	0.7	11.2	29.9	41.8	16.4	3.62±0.916
To what extent has your firm aligned its technological investments with long-term business strategies?	3.0	13.4	43.3	28.4	11.9	3.33±0.956
To what extent has your firm utilized data analytics to support strategic decision-making?	2.2	4.5	38.8	39.6	14.9	3.60±0.876
To what extent has your company implemented digital platforms to improve customer experiences?	0	3.7	38.8	40.3	17.2	3.71±0.793
To what extent has your firm leveraged technology to gain insights into market trends and opportunities?	0.7	3.0	32.8	45.5	17.9	3.77±0.803
To what extent has your company ensured cyber-security measures to protect critical business operations?	0	6.0	42.5	30.6	20.9	3.66±0.875
To what extent has your company integrated automation tools to reduce operational costs?	0.7	6.7	28.4	46.3	17.9	3.74±0.858
To what extent has your firm used technology to streamline internal processes and workflows?	0.7	4.5	39.6	39.6	15.7	3.65±0.825
To what extent has your firm invested in research and development to drive technological innovation?	3.0	4.5	30.6	43.3	18.7	3.70±0.926
To what extent has your firm used technology to differentiate itself from competitors?	2.2	3.0	43.3	35.8	15.7	3.60±0.868

Correlation Analysis on Strategic Technological Resource Alignment and Competitive Advantage

A correlation analysis was carried out to statistically evaluate the presence of a relationship between strategic technological resource alignment and competitive advantage among insurance companies in Kenya. As indicated in Table 12, the results showed a moderate positive correlation between the two variables, which was found to be statistically significant ($r(134) = 0.489$, $p < .05$), suggesting a meaningful association. This indicates that companies that effectively align their technological resources with strategic goals are likely to experience an improvement in their competitive positioning. The statistical significance of the findings confirms that the observed relationship is meaningful and reflects a consistent pattern among the firms examined.

Table 12: Strategic Technological Resource Alignment and Competitive Advantage

	Strategic Technological Resource Alignment	Competitive Advantage
Strategic Technological Resource Alignment	1	
Competitive Advantage	.489**	1
Sig.	.000	
N	134	134

** Correlation is significant at the 0.01 level (2-tailed)

Regression Analysis on Strategic Technological Resource Alignment and Competitive Advantage

Model Summary for Strategic Technological Resource Alignment

Table 13 provides a summary of the regression analysis results aimed at investigating the relationship between strategic technological resource alignment and competitive advantage among insurance companies in Kenya. The table highlights key statistical measures that illustrate the strength and significance of this relationship. The analysis reveals that strategic technological resource alignment explains approximately 23.9% of the variation in competitive advantage, as indicated by the R Square value of 0.239. This finding suggests that nearly a quarter of the changes in competitive positioning across the firms studied can be attributed to how effectively technological resources are aligned with strategic objectives.

Table 13: Model Summary for Strategic Technological Resource Alignment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.489[a]	.239	.234	.3307

a. Predictors: (Constant), Strategic Technological Resource Alignment

ANOVA for Strategic Technological Resource Alignment

To test whether the observed relationship between strategic technological resource alignment and competitive advantage is statistically significant, an Analysis of Variance was conducted. The results in Table 14 show that the model is statistically significant ($F(1,132) = 41.550$, $p < .05$), indicating a strong linear relationship. This means that variations in competitive advantage can be reliably predicted from the degree of strategic alignment in technological resources across the insurance firms.

Table 14: ANOVA for Strategic Technological Resource Alignment

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.543	1	4.543	41.550	.000[b]
	Residual	14.432	132	.109		
	Total	18.975	133			

a. Predictors: (Constant), Strategic Technological Resource Alignment

b. Dependent Variable: Competitive Advantage

Regression Coefficients for Strategic Technological Resource Alignment

Table 15 outlines the regression coefficients for the relationship between strategic technological resource alignment and competitive advantage. The findings indicate that strategic technological resource alignment has a positive and statistically significant effect on competitive advantage ($\beta = 0.427$, $t(134) = 6.446$, $p < .05$). The resulting regression equation implies that for every unit increase in technological resource alignment, competitive advantage increases by approximately 0.427 units. This underlines the critical role of strategically aligned technological investments in enhancing an insurance firm's market position.

Y = 2.051+ 0.427**X**

Table 15: **Regression Coefficients for Strategic Technological Resource Alignment**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.051	.234		8.754	.000
	Strategic Technological Resource Alignment	.427	.066	.489	6.446	.000

a. Dependent Variable: Competitive Advantage

Multivariate Regression Analysis

A multivariate regression analysis was conducted to evaluate the combined influence of three key independent variables namely, strategic human resource alignment, strategic financial resource alignment, and strategic technological resource alignment on the dependent variable, which is the competitive advantage of insurance companies operating in Kenya. The model results summarized in Table 16 indicate an R Square value of 0.471. This suggests that 47.1% of the variation in competitive advantage can be statistically explained by the joint effect of these three strategic alignment dimensions. The remaining 52.9% of the variability is attributed to other factors outside the scope of this model and were not captured in this analysis.

Table 16: Multivariate Regression Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.686[a]	.471	.459	.2779

To test the statistical significance of the multivariate model, an ANOVA was carried out. The results, as illustrated in Table 17, reveal that the model is statistically significant at a 5% confidence level ($F(3,130) = 38.554$, $p < .05$). This confirms that the combined impact of the three strategic alignment variables on competitive advantage is not due to random chance. The implication is that improvements or adjustments in any of these strategic alignment areas are likely to contribute meaningfully to enhancing a firm's competitive position in the insurance sector.

Table 17: ANOVA for Multivariate Regression Model

Model		Sum of Squares	Degrees ofMean freedom	Square	F	Sig.
1	**Regression**	8.934	3	2.978	38.554	.000[b]
	Residual	10.041	130	.077		
	Total	18.975	133			

The independent variables strategic human resource alignment, strategic financial resource alignment, and strategic technological resource alignment were found to be statistically significant contributors to competitive advantage, as all their respective p-values were well below the acceptable threshold of 0.05. This statistical significance implies that each of these variables plays an important role in influencing the competitive positioning of insurance companies in Kenya. Beyond the significance levels, the analysis also showed that the Variance Inflation Factor (VIF) values for all three independent variables were well below the commonly accepted threshold of 10, with values ranging from 1.091 to 1.277. This indicates the absence of multicollinearity concerns among the predictors. These results indicate that multicollinearity was not present at a problematic level, thus confirming that the estimates of the regression coefficients were reliable and not distorted by correlations among the independent variables. A complete summary of these coefficients is presented in Table 18 Based on these outcomes, the finalized regression model was constructed to reflect the combined effect of the three strategic resource alignments on competitive advantage.

$$\mathbf{Y}=0.048 + 0.407\mathbf{X_1} + 0.330\mathbf{X_2} + 0.287\mathbf{X_3}$$

Table 18: Coefficients of Multivariate Regression Model

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	VIF
	B	**Std. Error**	**Beta**			
(Constant)	.048	.345		.140	.009	
Strategic Human Resource Alignment	.407	.084	.323	4.849	.000	1.091
Strategic Financial Resource Alignment	.330	.077	.308	4.277	.000	1.277
Strategic Technological Resource Alignment	.287	.061	.329	4.740	.000	1.187

Organization Competitive Advantage

Table 19 summarizes the competitive advantage of insurance companies in Kenya. A significant portion (36.6%) reported moderate operational efficiency, with room for improvement. Regarding product development, 41% noted moderate success in outperforming competitors. A larger share (44%) highlighted strong adaptability to industry changes, while 37.3% saw higher customer loyalty. Many (43.3%) excel in leveraging technology for service delivery, though 40.3% reported moderate market presence. Financial strength was noted by 41.8%, and 43.3% emphasized

effective workforce utilization. Additionally, 38.1% reported superior customer service, and 41.8% claimed a higher market share, reflecting a well-rounded competitive strategy. Collectively, these insights indicate that insurance firms in Kenya are leveraging a variety of strategic capabilities ranging from technological investments to workforce utilization to enhance and sustain their competitive advantage.

Table 19: Organization Competitive Advantage

Organization Competitive Advantage	VL %	L %	M %	G %	VG %	Mean± SD
To what extent has your firm achieved higher operational efficiency compared to competitors?	3.0	9.7	36.6	35.8	14.9	3.50±0.964
To what extent has your company developed superior products or services relative to competitors?	3.7	9.7	41	32.8	12.7	3.41±0.959
To what extent has your firm demonstrated faster adaptability to changes in the industry than competitors?	1.5	8.2	32.8	44	13.4	3.60±0.877
To what extent has your firm gained customer loyalty compared to other insurance companies?	0.7	6.0	36.6	37.3	19.4	3.69±0.879
To what extent has your company outperformed competitors in leveraging technological advancements?	0.7	8.2	32.1	43.3	15.7	3.65±0.869
To what extent has your firm maintained a stronger market presence than competitors?	0	5.2	40.3	36.6	17.9	3.67±0.830
To what extent has your firm demonstrated financial resilience compared to industry peers?	0.7	7.5	32.1	41.8	17.9	3.69±0.879
To what extent has your firm effectively utilized its workforce to gain a competitive edge?	0	6.0	33.6	43.3	17.2	3.72±0.819
To what extent has your firm exceeded competitors in delivering exceptional customer service?	0.7	4.5	38.1	38.1	18.7	3.69±0.852
To what extent has your company sustained a higher market share relative to competitors?	0	4.5	36.6	41.8	17.2	3.72±0.800

Conclusion

The study concluded that strategic human resource alignment has a moderate, positive, and statistically significant influence on the competitive advantage of insurance companies in Kenya. The findings demonstrated that firms aligning their human resource practices with overall strategic goals are more likely to achieve and sustain a competitive edge. In addition, strategic financial resource alignment has a strong, positive, and statistically significant effect on the competitive advantage of insurance companies in Kenya. The findings indicated that firms that deliberately align their financial resources with their strategic objectives tend to outperform competitors in terms of market positioning. Strategic technological resource alignment also has a moderate, positive, and statistically significant influence on the competitive advantage of insurance companies in Kenya. Firms that effectively align their technological infrastructure and innovations with strategic goals tend to achieve improved market competitiveness.

Recommendations

To enhance competitive advantage, it is recommended that insurance companies deliberately align their human resource strategies with their overarching organizational goals. Furthermore, the study recommends that insurance companies institutionalize strategic financial resource alignment by embedding financial planning and resource allocation processes within their long-term strategic frameworks. To strengthen competitive advantage, insurance companies should strategically align their technological resources with their long-term objectives by investing in technologies that promote innovation, automation, and agility.

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