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Organizational Performance as an Outcome of Entrepreneurial Orientation in the Context of Reinsurance Companies in Kenya

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Abstract: *As other players in the reinsurance industry world-wide, reinsurance firms in Kenya are jostling for market share in the face of significant challenges posed by stiff competition emanating from the industry as well as the COVID-19 pandemic. This study sought to investigate the effect of strategic orientation on the performance of reinsurance firms in Kenya. Specifically, the study sought to determine the effect of entrepreneurial orientation, on the performance of reinsurance firms in Kenya. The research variables in this study are underpinned on the resource-based view and Mintzberg's strategic adaptation theory. The investigation was guided by descriptive research design. The study targeted a population comprising of employees of four reinsurance firms namely, Kenya Reinsurance Corporation, PTA Reinsurance Company, Africa Reinsurance Corporation and East Africa Reinsurance Company and sought to make field observations on a sample of management employees that was randomly selected using proportionate stratified sampling. The primary data for the investigation was collected using a structured questionnaire whereas secondary data that was crucial for validating primary data was obtained through document review. Descriptive statistics was analyzed using frequencies, percentages, mean and standard deviation. Similarly, inferential statistics was analyzed using bivariate correlation and multiple regression analysis so as to confirm if there was a relationship between the research variables. The results indicated that entrepreneurial orientation had a direct linear correlation with performance. The study also found out that entrepreneurial orientation had a positive effect on performance.*

Keywords: *Entrepreneurial orientation, performance, reinsurance*

1. Background of the Study

Reinsurance is a concept practiced globally whereby primary insurers buy reinsurance for certainrisks to protect their capital base and gain capital relief provided by reinsurance. Reinsurance makes up one tenth of the insurance market globally and has been the best performing sector in insurance over the years offering good market returns on capital to shareholders (McKinsey, 2017). In 2021 and 2022, the industry is estimated to grow after contracting due to the COVID-19 pandemic, according to the new Sigma survey by the (Swiss Re-Institute, 2020). The Institute warns that after the Great Depression of the 1930's, the contraction this year was the worst. Global demand for insurance decreased in 2020, with the lifesector being cut by 6 per cent and the non-life space being even less significantly contracted. Life premiums in 2019 had risen by 2.2% and non-life premiums had risen by 3.5%.

According to Swiss Re (2020), the ongoing COVID-19 pandemic has struck at times of rate hardening which eventually promoted premium expansion only because of a very slight contraction in the non-life market. The lower interest situation on the life side, on the other hand, suggests that savings products would be more affected, while mortality-related risk is projectedto be more stable. The reinsurer further notes that rate hardening continued in the non-life insurance, particularly in commercial areas, due to potentially high risks and the provision of contracting insurance. This boosted long-term earnings along with a forecast recovery in insurance premiums. As a result of the Covid-19 pandemic, premium income from trade and travel-related insurance is was worst hit, while the property and medical insurance business lines were more stable.

The reinsurance market in the Middle East and North Africa witnessed a premium increase of almost 5 percent in 2017 to USD 39.2 billion. With a market share of 81.9 percent, non-life insurance is still dominant. At the top of the list, the United Arab Emirates, Saudi Arabia and Morocco dominate the market. Approximately 68.6 percent of the overall premium value was paid for by these three countries alone. With an 8.74 percent market share, Qatar ranks fourth (Atlas, 2019).

Regionally, reinsurance market in Africa is underpenetrated but it continues to grow attracting both domestic and international capital as a result of economic growth (Karekezi, 2017). Factors contributing to under penetration of reinsurance include unstable economies, unfavorable business environment and high population growth. According to Zep Re (2019), African economies in the past majorly relied on funding from the west for development leading to heavy debts and struggling economies. The need to change the trend and improve regional economy led to formation of the present continental and regional reinsurance organizations today. South Africa, Botswana, Namibia Mauritius, and Kenya have a growing middle-income class that has enabled the growth of reinsurance (Mburu, 2017).

Africa's reinsurance market accounts for less than one percent of the world's insured disaster losses, while it is home to nearly 17 percent of the global population. The continent continues to attract demand from foreign insurance and reinsurance players despite the low insurance penetration rates. More recently, large Western insurance companies have started paying heed to the highly lucrative insurance market in sub-Saharan Africa. Zambia, Nigeria, Ghana, and Uganda reported some of the insurance industry's highest growth rates in Sub-Saharan Africa from 2014 to 2018 (Atlas, 2018). The dysfunctional economic climate continues to pressure Sub- Saharan Africa, weakening market conditions as rivalry between reinsurers is at its peak. With these obstacles, the reinsurance sector has expanded with very respectable results over the last decade, according to the Atlas Magazine (2019), with Abidjan and Nairobi growing steadily as reinsurance hubs.

The sector is hardly affected by natural catastrophe claims (floods, cyclones, earthquakes) due to the extreme low insurance penetration rate. Insurance coverage averages 3.5 percent in sub- Saharan Africa. In 2017, South Africa had a penetration rate of around 16.9 percent, led by Namibia (6.7 percent), Lesotho (4.8 percent), Mauritius (4.2 percent) and Zimbabwe (4.1 percent), according to the market data portal Statista (2017). Expenses in administration for insurance firms remain relatively high, with exorbitant intermediation costs in exchange for poor quality client service. Legal cession is the key source of income for certain local clubs. Legal cessions stand as a buffer against international investment, set up by policymakers in order to maintain part of the premiums locally. The African sub-continent is seen as a means of diversification of its portfolio by major foreign actors, whose exposure is limited to only quotation and expenditure of major industrial risks such as dam building, major highways and other mega-public ventures. Mergers and acquisition operations along with the influx of reinsurance capacities of large pan-African or foreign groups have led to increased competition among reinsurers.

In terms of ratings, Africa Re is the only international player able to operate around the continentand is rated by Standard and Poor's (S&P) and Am Best. The reinsurance industry plays a very significant role in the economy. It makes up one tenth of the insurance market globally and has been the best performing sector in insurance over the yearsoffering good market returns on capital to shareholders (McKinsey, 2017). In addition, GDP growth is supported by reinsurance. GDP is one of the key macroeconomic metrics of each region. Typically, certain macroeconomic measures are viewed as determinants of profitability. Each country's development level is determined by the amount of GDP.

Locally, the reinsurance industry is dominated by 4 reinsurance firms namely, Kenya Reinsurance Corporation, PTA Reinsurance Company, Africa Reinsurance Corporation and East Africa Reinsurance Company. Kenya has witnessed tremendous growth in the reinsurance industry over the years according to reports by Insurance Regulatory Authority. In modern times, various reinsurance products are sold by reinsurance firms. Insurance firms offer premiums to reinsurers by purchasing reinsurance products to offer financial protection against big risks. This mechanism of financial protection and expenditure enhances growth in GDP. Reinsurance also guards against flight of capital from the economy.

2. Statement of the Problem

The Reinsurance industry contributes to the growth and sustainability of Kenya's economy contributing 5.7% to the GDP. The Reinsurance industry is important to Kenya's economy through creation of employment and wealth, protecting of capital investments and guards against flight of capital from the economy. The reinsurance industry in Kenya however faces a problem of an unstable economy, unfavorable business environment, globalization and increased competition from foreign reinsurers that offer versatile products and a fall in market share by 5% in the period 2019-2020 (IRA, 2020). A number of studies have been carried out ion strategic orientation as an independent variable, however these studies have been carried out in other environments as opposed to the Kenyan economy hence raising a contextual gap. Specifically, Beneke et al.(2016) where this study focused on SMEs in South Africa. The studies have also been conceptualized differently for instance; Faisal, Hermawan and Arafah (2018) used social media orientation to measure performance, Freiling & Schelhowe (2014) relied on subjective measures of profitability.

The wide review of literature has indicated that there is both a research problem as well as a research gap that calls for a research that focuses on entrepreneurial orientation and the performance of reinsurance firms in Kenya.

3. Literature Review

3.1. Strategic Adaptation Theory

Mintzberg first developed strategic adaptation theory in 1978 and solidified the theory in 1985. Strategic adaptation model is founded on the assumption that managerial autonomy, low bottom-up adaption and low power distance are required for adaptation (Mintzberg, 1978). The theory posits that the adaptation process is essentially a bottom-up process. Anderson and Nielsen later refined the theory by focusing on the importance of synergy created by fusing deliberate strategy with emergent strategy. Generally, Minterzberg theory is typically applied as reference for linkedby different issues within the organizational behavior and strategic orientation of a firm (Lumpkin & Dess, 1996; Tsoukas, 1996). The studies have referenced the theory in establishing their literature review and linked Mintzberg theory to related subjects. The theory established byMintzberg has been cited 207 times while that of Anderson and Nielsen has been cited 49 times. The importance of focusing on the reference is not to qualify the theoretical framework but to apply their work as foundation for examining problems such as increasing autonomy to boost performance (Linder, 2015).

The strategic adaptation theory posits that the strategic orientation of a firm is largely driven by the decisions made by the management or owners of the firm. Strategic decisions relating to new business opportunities, competitive strategies, product and operational excellence, risk appetite, among other decisions are at the discretion of management (Boohene, 2018). In addition to making strategic decisions, management/owners also allocate resources and direct their implementation in order ito irealize ithe iobjectives of ithe istrategic idecisions.

The strategic orientation of a firm involves making adjustments to the firm's business model in order to enable it to survive the constantly changing market dynamics. For instance, a firm may decide to introduce a new product into the market, pursue a cost differentiation strategy, exit a certain market, enter a new market, outsource some functions, acquire another firm, etc. The objective of such strategic decisions is to enhance resilience and agility of the firm in order to remain profitable or at least continue as a going concern even in the middle of a difficultbusiness environment (Schindehutte & Morris, 2001).

The conceptualization shows the significance of intended strategy on certain organizations (Linder, 2015). The adaptation strategy theory is concerned with specific ways in which organizations make adjustments as it seeks to capitalize on external situation and survive (Boohene, 2018). Studies conducted on organization adaptation focus on the adaptive capacities of companies, or the extent that the specific strategy reflects less or more the ability of the firm to adapt (Boohene, 2018). Actual levels of adaptations include the modification levels that apply to key parts of the business to develop organizational performance. Muithya, Muathe. & Kinyua (2021) posits that leveraging on aspects of strategic orientation helps maintain the agility and resilience of firms by making them sustainable in the hypercompetitive business environment.

The reinsurance business is among the business sector that adaptive behaviors appear particularly important. In comparison to other businesses in the market, the reinsurance business is vulnerable to environmental forces particularly in relation to the restricted reserve capacity and debt capacity of such organizations. The stiff competition that the business faces from foreign reinsurance companies and full reliance on a consumer base niche as well as limited service and product line. The reinsurance firms suffer from competitive aggressiveness from foreign reinsurance firms (Borch, 2010). The strategic adaptation model is found useful for this research since it gives a linkage between strategic adaptation of firms, strategic orientation and performance

3.2 Entrepreneurial Orientation and Organization Performance

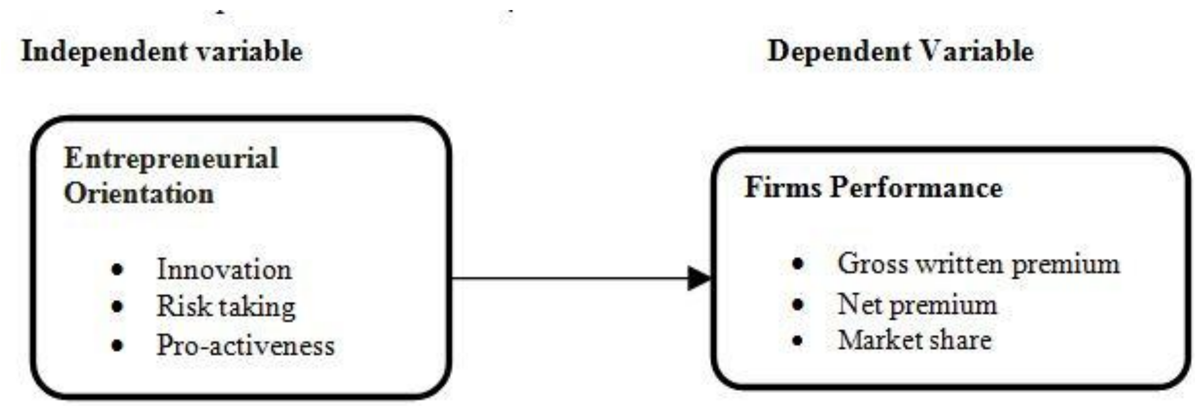
Various researchers have investigated the relationship between entrepreneurial orientation and performance of firms. In a study on the influence of strategic orientation on firm performance of MSMEs in Jakarta using social media orientation as mediating variable, Faisal, Hermawan and Arafah (2018) found that there was no direct link between entrepreneurial orientation and performance. However, the link between the two variables was mediated by social media orientation, the influence was found to be strong. The study collected data from 321 respondents who were managers/owners purposively selected from MSMEs in Jakarta, Indonesia (Faisal et al. 2018). Analysis of data was carried out through the Structural Equation Modeling (SEM) approach. However, there exists a contextual gap in this study with reference to Kenya. In addition, the study considered social media orientation as mediating variable, while the current study sought to establish whether there is a direct relationship between entrepreneurial orientation and performance (Kotane & Kuzimina-Merlino, 2017). Furthermore, the study considered MSMEs while this current study considered reinsurance firms.

In another study, Rua, França and Fernández Ortiz (2018) sought to establish the effect of entrepreneurial orientation on export performance of 247 SMEs in Portugal. The study used the level of innovation, risk-taking, and proactiveness as measures of entrepreneurial orientation, while performance was measured using profitability, sales growth, and operational efficiency. Primary data was collected using questionnaires and the analysis was carried out using PLS-SEM path modelling (Rua et al. 2018). The findings revealed a positive and statistically significant relationship between entrepreneurial orientation and export performance. Gupta (2015) findings on research about entrepreneurial orientation and firm performance of Indian SMEs, which found that a strong entrepreneurial orientation can allow firms to benefit from identifying how the new product serves unmet customer needs or at the same time showing how it is superior to, and uniquely different from, competitive offerings in the eyes of customers.

Freiling & Schelhowe (2014) also sought to establish the effect of entrepreneurial orientation on the performance of internalization. The study focused on 3997 manufacturing firms in Germany whose annual turnover was between 50 Million and 3 Billion Euros (Freiling & Schelhowe, 2014). Data was collected using structured interviews and questionnaires. The components used to measure entrepreneurial orientation included innovation, arbitrage, risk management, and coordination (Kotane & Kuzimina-Merlino, 2017). Performance was measured using subjective views of the participants on how internationalization had performed in their firms compared to competitors. Growth was also used to measure performance. Analysis was carried out using the Partial Least Squares method of Structural Equation Modelling (Eijdenberg, 2016). The results revealed that entrepreneurial orientation has a positive effect on performance of internationalization.

3.3 Conceptual Framework

The independent variable in the study was entrepreneurial orientation while the dependent variable was performance. The interaction of the independent and dependent variables is shown in the conceptual framework below;



4. RESEARCH METHODOLOGY

This study relied on a descriptive research design (Curtis & Dempsey, 2016). The choice of these research designs was based on the nature of relationship between the independent and dependent variable on which the study sought to establish the relationship between the two variables. As a research strategy, descriptive research design has found extensive application by scholars in management and organizationa phenomena (King'oo, Kimencu & Kinyua, 2020; Gatuyu & Kinyua, 2020; Chesire & Kinyua, 2021; Ojiambo & Kinyua, 2021; Muthaura & Kinyua, 2021; Kialyulo & Kinyua, 2021).

The population of study was four reinsurance companies established in Kenya. The reinsurance companies are Africa Re., PTA Re., East Africa Re. and Kenya Re. This target population faces equal challenges in form of strategic orientation and organizational performance due to their domestication factor. From the four reinsurance companies, the upper and mid-level management are the people who were engaged in the study due to the strategic position they play in the organization.

The target population was divided into two levels of management, the upper and middle level management as tabulated below and the procedure relied upon was stratified sampling.

Table1. *Target Population*

Level of Management	Frequency	Percentage (%)
The Upper Management	32	29
Middle Level Management	80	71
Total	**112**	**100**

Source: *(AKI, 2020)*

In each of the stratum the researcher used simple random method to sample the researcher respondents. The sample was made of 87 respondents. This sample was computed using the population of 112 members.

The study applied the use of both primary and Secondary data was drawn from the published reports in Insurance Regulatory Authority (IRA) financial reports that cover reinsurance firms in Kenya. The primary data collection techniques involved the administration of questionnaire to the four registered reinsurance companies in Kenya; Africa Re., PTA Re., East Africa Re.and Kenya Re. The questionnaire was administered through online platforms like emails and Survey Monkey due to the COVID-19 rules and regulations and because not all top management officials were found in their office premises.

There was a reliability test done on the research instrument. The purpose of a reliability test was to guarantee that the research instrument can replicate the same results in a different study under similar conditions. It dealt with the checking the consistency of measuring the variables supposed to be measured (Csikszentmihalyi & Larson, 2014). The instrument that was used to test the internal consistency is Cronbach alpha. It is a research instrument commonly applied to gauge when measuring multiple questions in a questionnaire or survey. In relation to ensuring the accuracy level is attained, the Cronbach alpha coefficient needs to be above or equal to 0.7 (Csikszentmihalyi & Larson, 2014). With the establishment of such a coefficient, it guarantees that the results obtained from the research instruments are reliable.

The data gathered was both quantifiable as well as qualitative in nature. It was checked and edited for accuracy, completeness and consistency, then analysed through examination, categorizing, coding, tabulating and testing to identify the patterns and enhance the study's validity. The data collected were analysed using descriptive measures that include percentages, mean, standard deviation and coefficient of variation. For findings, it was presented through the use of tables.

One of the ethical considerations that needed addressing was getting an informed consent from the participants of the research. Informed consent was necessary to ensure the participant voluntary chose to take part in the study without coercion (Bulmer, 1982). This was addressed through the NACOSTI research permit. Another ethical consideration was ensuring the names of the participants were concealed or kept confidentially due to the danger and harm that arises fromrevealing personal details (Bulmer, 1982).

5. RESULTS

The questionnaire was sent to a 100 people which was the sample size for this study. 80 respondents filled the questionnaire and sent it back. This indicated a response rate of 80% and a non-response rate of 20% as indicated in the table below:

Table2. *Response rate*

Respondents	No. of respondents	Percentage
Responded	80	80%
Did not respond	20	20%
Total	100	100%

The respondents were asked to indicate their biographical information as indicated in table 3.

Table3. *Socio-demographic information of the respondents*

Category		No. of respondents	Percentage
Gender	Male	45	56.3
	Female	35	42.7
	Total	**80**	**100**
Work experience	Below 3 years	20	25
	4-7 years	35	43.8
	8-11 years	15	18.8
	12 or more years	5	6.4
	Total	**80**	**100**
Management Level	Senior level	25	31.2
	Middle level	43	53.8
	Functional level	12	15
	Total	**80**	**100**
Years in operation	Less than 5 years	7	8.5
	5-10 years	25	31.5
	11-15 years	30	37.5
	More than 15 years	18	22.5
	Total	**80**	**100**

Majority of the respondents were male (56.3%) while female respondents made up 42.7% of the response rate. Most of the respondents (43.8%) indicated that they had work experience of between 4-7 years and only 6.4% indicated that they had work experience of 12 or more years in the sector. 53.8% of the respondents indicated that they were middle level management indicating that majority of the respondents were middle level managers. 31.2% of respondents were senior level management and only 15% were functional level management. Most of the respondents (37.5%) indicated that they worked in an organization that had been in operation for between 11-15 years followed by 31.5% who indicated that they worked in a reinsurance organization that had been in operation for 5-10 years. 22.5% indicated that the reinsurance organization they worked in had been in operation for more than 15 years and only 8.5% indicated that the reinsurance organization they worked in had been in opertaion for less than five years.

Descriptive Statistics

There were five items that were asked in the questionnaire on entrepreneurial orientation. The items were: there is a shared understanding on the need for innovation, the reason for risk taking was well known among stakeholders, stakeholders are motivated by the pro-activeness found in the reinsurance firm, stakeholders are inspired by the direction and purpose of the firm and lastly, stakeholders identify freely with the objectives of the firm. The results are shown in table 4.

Table4. *Entrepreneurial orientation*

Variable	N	Mean	SD	COV
Shared understanding on need for innovation	80	3.950	0.8276	21
Reason for risk talking is well known by stakeholders	80	4.313	0.7291	17
Stakeholders are motivated by pro-activeness of the firm	80	4.415	0.8211	19
Stakeholders inspired by direction and purpose of the firm	80	4.057	0.5214	13
Stakeholders identify freely with objectives of the firm	80	4.155	0.7045	17
Aggregate score	**80**	**4.18**	**0.72**	**17.4**

The aggregate score of 4.18 indicates that the respondents agreed with the statements made as important to entrepreneurial orientation of the firms. The variable ‘stakeholders are motivated by the pro-activeness of the firm’ had the highest mean value at 4.415 indicating that most of the respondents agreed with this statement. The variable with the lowest mean of 3.950 was ‘there is a shared understanding on the need for innovation’ which indicated that not many respondents agreed with the statement. The other variables had means of 4 or more indicating that most of the respondents agreed with the statements.

On average, this study established that entrepreneurial orientation influenced the performance of reinsurance firms in Kenya to a more significant degree by a total mean of (M= 4.18, SD 0.72, COV, 17.4). The study findings imply that the ongoing globalization, increased competition, innovation, and continuous changes are challenging reinsurance firms to look for the means of survival and growth. Most entrepreneurial ideas come internally from the organizational employees since there is a shared understanding of the need for innovation in the reinsurance firm hence the reason for risk-taking is well known among stakeholders of the reinsurance firm; they are motivated by pro-activeness and is inspired by the direction and purpose of the Reinsurance firm. Stakeholders identify freely with the objectives of the Reinsurance firm. This shows that entrepreneurial orientation can be used to boost reinsurance competitiveness and also performance. It is then essential to have a high orientation team to drive the entrepreneurial orientation agenda, positively impacting the organization's performance. Therefore, adopting entrepreneurship orientation as a part of the organizational culture requires a great deal of effort, so understanding its advantages is necessary to implement and use them in performance.

Organizational Performance

Organizational performance had four items asked in the questionnaire. The variables were: entrepreneurial orientation practices result in improvement of gross written premium; entrepreneurial orientation practices enhance the net premium of reinsurance firms; entrepreneurial orientation practices have improved the market share of reinsurance firms and entrepreneurial orientation practices improve the speed of response to customer issues. The results are presented in table 5.

Table5. *Performance of reinsurance firms*

Variable	N	Mean	SD	COV
Improvement of gross written premium	80	4.056	0.542	13
Enhancement of net premium of firms	80	5.467	0.616	11
Improved market share of firms	80	4.175	0.765	18
Improved speed of response to customer issues	80	4.267	0.839	20
Aggregate score		**4.49**	**0.69**	**15.5**

The aggregate mean score was 4.49 indicating that most of the respondents agreed that entrepreneurial orientation activities improved the performance of the reinsurance firms. The highest mean score was 5.467 for the statement ‘entrepreneurial orientation enhances the net premium of firms’. This indicated that most of the respondents strongly agreed with the statement and that it was where most improvement was observed due to entrepreneurial orientation activities. The lowest mean score was 4.056 for the statement ‘entrepreneurial orientation practices result in improvement of gross written premium’. The value though indicated that many respondents agreed with the statement.

Inferential statistics

Multiple regression analysis was carried out between the independent variable entrepreneurial orientation and performance of the reinsurance firms to determine if the entrepreneurial orientation practices had any effect on performance of the firm. The results of the analysis are presented in tables 6, 7 and 8.

Table6. *Model Summary*

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.868[a]	.754	.737	.38170
a. Predictors: (Constant), innovation, risk taking , pro-activeness, direction and purpose, objectives				

The value of adjusted R squared was 0.737 indicating that 73.7% of the changes observed in performance of the reinsurance firms could be attributed to entrepreneurial orientation practices. This is indication that entrepreneurial orientation practices have a strong effect on the performance of the firms.

Table7. *Analysis of Variance*

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.019	5	6.604	45.327	.000[b]
	Residual	10.781	74	.146		
	Total	43.800	79			
a. Dependent Variable: Performance						
b. Predictors: (Constant), innovation, risk taking , pro-activeness, direction and purpose, objectives						

The ANOVA F-value was 45.327 (p=0.000) indicating that the model used in determining the relationship between variables was useful and significant. Entrepreneurial orientation practices were a significant indicator for the performance of reinsurance firms.

Table8. *Coefficients*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.632	.472		1.338	.185
	Innovation	.067	.064	.064	1.041	.301
	Risk-taking	-.031	.070	-.027	-.445	.658
	Pro-activeness	-.238	.108	-.157	-2.199	.031
	Direction	.460	.074	.460	6.185	.000
	Objectives	.596	.082	.585	7.237	.000

Three of the variables namely stakeholders are motivated by the pro-activeness found in the reinsurance firm (p=0.031), stakeholders are inspired by the direction and purpose of the firm (p=0.000) and stakeholders identify freely with the objectives of the firm direction and purpose of the firm (p=0.000) were found to significantly influence the performance of the firm. This indicated that when all other factors are held at a constant, the pro-activeness of a firm would reduce performance by 0.238 units indicating that there was a negative relationship between pro-activeness and performance. This can be interpreted as a lack of pro-activeness could lead to stakeholders becoming demotivated by the firm and this would lead to a decrease in the performance of the firm. Inspiration of stakeholders by the direction and purpose of the firm would increase performance by 0.460 units and stakeholders identifying with the objectives of the firm would increase the performance of the frim by 0.596 units.

The results of the analysis were in agreement with the findings by Gupta (2015) who found that entrepreneurial orientation has a positive effect on the performance of reinsurance firms. Further, the study found that entrepreneurial orientation has an effect on the response speed to customer needs in reinsurance firms. An excellent example in the Kenya context is telecommunication giant Safaricom Limited, whose performance is enhanced by its entrepreneurial innovation, which has led to mobile banking. The organizational performance of the organization may be in terms of financial or non-financial, and strategic orientation the firm undertakes influences the organization's overall performance. Market orientation was insignificant.

6. CONCLUSION

The study found that entrepreneurial orientation activities have a significant effect on performance of reinsurance firms. The variables 'stakeholders are motivated by the pro-activeness found in the reinsurance firm', 'stakeholders are inspired by the direction and purpose of the firm' and 'stakeholders identify freely with the objectives of the firm' were found to have significant effects on the performance of the firms.

Reinsurance firms should undertake entrepreneurial orientation activities especially those that enhance the stakeholders view of the firm in terms of purpose, direction and objectives as well as those that increase motivation of the stakeholders as they have significant effect on the performance of the organization.

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