Influence of Relational Social Capital on Competitive Advantage in Life Assurance Companies in Kenya

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ABSTRACT

Relational social capital plays a critical role in enhancing competitive advantage of most companies across the globe. However, there is scanty literature indicating how social capital affects competitive advantage of life assurance companies. This study sought to establish the effect of relational social capital on competitive advantage of life assurance companies in Kenya. The study applied the descriptive design methodology. The study collected primary data using a questionnaire from 356 senior management employees in all the 25 life assurance companies in Kenya. The study utilized both descriptive and inferential statistics. Descriptive statistics comprised of measures of central tendency and measure of dispersion while inferential statistics comprised of multiple linear regression model. The data collected was analyzed using Statistical Package for Social Scientists (SPSS) version 27. The study findings indicated that relational social capital has a significant influence on the competitive advantage of life assurance companies in Kenya ($\beta = 0.842$, $t = 13.152$, $p < 0.05$). The study findings led to the conclusion that employees at the life assurance companies interacted and exchanged ideas with other employees from different areas of the companies. The life assurance companies also provided social support when employees faced any difficulties at work or when employees faced difficulties at a personal level. The study, based on the findings, recommends to management of life assurance companies to institute and implement policies and practices that enable interdepartmental interactions and exchange of ideas. Moreover, management in the companies should continuously undertake reskilling to ensure that even when working under strenuous and ever-changing environment, employees share the same professional language and business values.

Keywords: Competitive Advantage, Kenya, Life Assurance Companies, Relational Social Capital.

I. INTRODUCTION

The business environment is characterized by volatility, uncertainty, complexity, and ambiguity arising from globalization, technology, realignment of business models and changes in consumer behavior (Shahnaz, 2019). While firms must contend with these, competition has become a constant factor in business, and every business must understand market dynamics including what customers want and who else is supplying to them (Wuryanti & Suriani, 2017). Stiff competition coupled with customer enlightenment on available options is forcing businesses to become more innovative with regard to better definition of target markets, what it needs, how to produce and deliver to the market as efficiently and cost effectively as possible, as well as how to achieve the most competitive prices. These forces give rise to the modern quest for competitive advantage (Racela & Olimpia, 2014). Competitive advantage makes a business stand out and its products or services more valued compared to all other alternatives available to the customer (US Department of State Young African Leaders Initiative, 2020). This leads to above average returns that are superior to returns that the firm would have otherwise achieved based on a similar risk profile. Wang (2014) perceive competitive advantage as being the organization's ability to develop a core set of competencies, such as customer service, innovation, quality and responsiveness, which enable the organization to serve its target market better than the competition. Some of the emerging frontiers for competitive advantage in the life assurance industry include growing organizational relational social capital, digitizing services and delivering solutions to millennials through the gadgets and platforms that they use the most, and in a language that appeals to them (Price Waterhouse Coopers, 2019).

Relational social capital has been used to enhance competitive advantage (Scrivens & Conal, 2013). Important aspects linked to social capital include cultivating trust and trustworthiness. norms and sanctions and obligations and expectations that shape the relations between organizations and their employees (Putnam, 2000). This study was on the life assurance sector in Kenya. There were 25 licensed life assurance companies in Kenya as at August 2020 (Insurance Regulatory Authority, 2020). Life assurance companies in Kenya offer a number of products with enhanced benefits, which helps clients to meet important financial objectives. Some of the most common life assurance products in the Kenyan market include education policies, health plans, pension plans, accidental death, as well as long-term saving and investment plans such as unit trusts and balanced funds (Insurance Regulatory Authority, 2020). Despite the importance of life assurance in providing long term savings and cushioning the public from the effects of negative developments such as terminal illness or accidental death, the rate of penetration in Kenya remains low at only 1.05%, compared to South Africa's 11.02% (Association of Kenya Insurers, 2017). The low penetration rate and poor performance of life assurance companies in Kenya indicates they lack a competitive advantage and could be attributed to high level of income inequality, high product prices and lack of trust between the companies and clients among others (Otieno, 2012). Performance of life assurance companies can be improved by enhancing relational capital indicated by the trust between the company, and its stakeholders including employees and clients (Mburu, 2017). However, there is limited knowledge on how relational social capital influences competitive advantage of life assurance companies in developing countries such as Kenya.

Kenya has 25 life assurance companies that are legally allowed to sell life insurance policies (IRA, 2020) competing for a small target population that is defined by stiff competition (Cytonn, 2019). The impact of this has been a decline in earnings for the different players and the industry as a whole, with total earnings in 2018 rising to Kshs. 3.37 billion, down from Kshs. 8.77 billion recorded in 2017 (Njiraini, 2019). The situation is further compounded by the hard economic environment, which has significantly reduced people's purchasing power, hence lowering the uptake of assurance (AKI, 2017). This notwithstanding, the COVID-19 pandemic, which affected virtually all sectors of the global and local economy and is expected to further deal a blow to the local assurance sector's recovery efforts (EY, 2020). Besides, the profit after tax of life assurance companies in Kenya declined by 1.9% in 2021 compared to 2020 (IRA, 2020). As of 2021, the insurance penetration rate in Kenya decreased to 2.24 percent, up from 2.17 percent in the preceding year. It kept a descending tendency since 2016, when the indicator amounted to 2.78 percent (IRA, 2022). According to IRA (2022), the low life assurance penetration has been blamed on various issues such as low-income levels, as well as negative perceptions of life assurance and lack of competitive advantage of the life insurance companies. Shahnaz (2019) notes that relational social capital can be applied to enhance competitive advantage of a firm by increasing innovation, teamwork, organizational culture, strategic partnerships, and the improvement of interactions within the supply chain.

Despite the stated role of relational social capital in enhancing competitive advantage, there is scanty empirical literature on influence of relational social capital on competitive advantage in life assurance industry. For instance, Odemba (2013) focused on the elements affecting the enrolment for life assurance policies in Kenya while Ngatia (2014) studied the impact of CSR on the financial performance of assurance companies in Kenya. Besides, Mugoiri (2018) examined the impact of CSR on the revenue streams of assurance companies in Kenya and found a negative relationship between CSR and revenue streams. Most of these studies in Kenya focus on CSR but not on relational social capital. There is a dearth of studies investigating the link between relational social capital and competitive advantage in life assurance companies. Nonetheless, building and growing relational social capital could be one of the best survival strategies for life assurance companies especially in the ever-changing business environment (Wang, 2014). However, it is not known how relational social capital influences competitive advantage the among life assurance companies. This study sought to bridge this gap by investigating the influence of relational social capital on competitive advantage of life assurance companies in Kenya. Thus, the objective of this study was to assess influence of relational social capital on competitive advantage in life assurance companies in Kenya.

The social capital theory by Bourdieu (1983) was the anchoring theory in this study and it posits that interpersonal relationships that involve social exchanges where individuals engage in reciprocal favors can enable an organization to attain a competitive advantage in its industry. The initial conceptualization posits that social capital within organizations is synonymous with social relations, which can be broadly defined as the arrangement of social networks. According to Kang and Na (2018), social capital primarily revolves around the maintenance of relationships by actors, which can be characterized by various features such as the number, strength, and density of these relationships. Further, Easmon et al. (2019) indicate that social capital refers to the network of individuals such as friends, colleagues, and other contacts who provide avenues for utilizing one's financial and human capital to attain individual, team and organizational objectives.

Relational dimension of social capital pertains to the nature of interpersonal relationships that individuals have established with one another over a period of interactions (Choi, & Chang, 2020). This dimension pertains to the attributes and traits of interpersonal connections and hence, it is imperative to acknowledge the significance of factors such as a common historical background, trust, mutual respect, and interpersonal bonds in various contexts. The relational dimension is characterized by the attributes and characteristics that are inherent in continuous interpersonal connections. The relational dimension pertains to the nature and attributes of the interpersonal bond between individuals which can enhance the working environment, bonds and effective interactions that can enable the firm to attain competitive advantage (Adna, & Sukoco, 2020). The attributes encompassed by relational social capital include trust, reliability, esteem, and companionship that are important in creating a positive working environment that enhances productivity in employees and thus enhancing a firm's competitive advantage.

Nahapiet and Ghoshal (1998) described relational social capital as the resources that give interpretations, representations, and systems of meaning among parties. In this study, relational social capital entailed trust and trustworthiness, norms and sanctions, obligations and expectations and mutual respect (Harpham 2008). Trust is extended when the trusting party infers that the trusted party is trustworthy because being so is incentive compatible because of "encapsulated interests" (Lee et al., 2019). Norms are social rules of behaviour, and a sanction is a form of punishment against violation of different norms (Nahapiet & Ghoshal, 1998). Obligations and expectations in the relational dimension that leads to innovation enablers or reduces the barriers for innovation. Mutual respect entails the recognition and appreciation of individuals for their inherent worth and the unique contributions they provide. This concept encompasses the act of seeing individuals' distinct contributions, comprehending and acknowledging disparities, and commending diversity, while also leveraging shared interests and values. The dependent variable in this study was competitive advantage. Competitive advantage is the degree to which an organizations' ability to design a tenable placing over its competition (Tsvetana, & Miglena, 2018). This study used cost/product pricing, product differentiation and market focus. Within the realm of life assurance companies, relational social capital has the potential to significantly enhance a company's overall performance and competitive advantage by the establishment of a collective framework of shared principles and reciprocal regard. Besides, relational social capital enhances trust and trustworthiness, creates a culture of responsibility and performance and enables mutual respect among employees and thus creating an environment that enhances employee productivity. Based on this conceptual argument, the following null hypothesis was tested:

***H_0**: Relational social capital has no significant influence on competitive advantage in life assurance companies in Kenya.*

To support this hypothesis, several empirical studies were reviewed which are provided herein. Lee et al. (2019) used England's entrepreneurs national survey to establish how relational social capital help towards resource acquisition. The findings of the study showed that reciprocity, expectations, and obligations, bonding ties, big networks, trust, and shared language facilitates resource acquisition. Moreover, Yang and Konrad (2019) explored the correlation among relational capital, supplier quality integration, and operational performance on 308 Chinese manufacturing firms.

The study results indicated that relational capital positively impacted operational performance and that supplier quality integration equally played an important role in their relationship. Additionally, Liu et al. (2018) surveyed of 328 Chinese travel agencies with an aim of understanding on how to create competitive advantage. The results showed that competitive advantage can be influenced by shared goals of the travel agencies through differential strategy implications, relational social capital accumulation, and characteristics of dynamic capability development. They also pointed out that the critical feature for improving the relationships amongst dynamic capabilities, shared goals, and relational social capital to attain competitive advantage was organizational learning.

The empirical results by Gabbay and Zuckerman (2018) indicated that acquisition of knowledge is indirectly influenced by social capital through the relational dimension of firms' membership of a cluster. Further, Zhao et al. (2018) studied the association between relational rent and relational capital on manufacturing firms in China and suggests that formation of relational capital is through capital rent. The results also postulated that trust and commitment had a significant impact on knowledge sharing, complementing on resources and co-governance, and that there was no remarkable effect on investment relationship-specific. To achieve competitive advantages in medium, and regional small firms, Suyanto and Hery (2013) examined the use of relational social capital and found out that entrepreneurs using capacities and resources have essential competencies. The results also revealed that relational capital benefits entrepreneur's internal knowledge management, relationship management and innovativeness. Another study by Pastor and Emili (2006) examined the relationship between competitive advantage and relational social networks and found out that competitive advantage is brought about by structural features of the network with which enterprises are embedded plus their position. According the author this is because connectedness, structural features, network centrality, weak ties, and structural holes lead to knowledge adaptation, control, and resources, hence competitive advantage.

II. METHODOLOGY

This research was guided by positivism research philosophy as the study was scientific in nature, and it attempted to explain how one variable (relational social capital) affects another (competitive advantage). Positivism was favored as it backs up development and testing of hypotheses (Saunders et al., 2019) and was therefore relevant to this research, whereby several a hypothesis was tested. According to Cooper and Schindler (2022), positivism approach of research is embedded on the doctrine and existential basis that actuality is unconventional and not at liberty of the researcher. This study adopted the descriptive and explanatory research designs. Under the descriptive research design, the researcher described the relational social capital and competitive advantage of life assurance companies in Kenya. Explanatory research design, on the other hand, was used to establish the effect of relational social capital on competitive advantage of life assurance companies in Kenya.

The study's target population comprised the total number of middle-level and top-level management employees in all the 25 life assurance companies in Kenya as at September 2020, equivalent to 3,250 individuals (IRA, 2020). The study applied proportionate stratified random sampling technique to select the respondents to be included in the sample. Saunders et al. (2019) observed that a more representative sample size is attained by this sampling design.

The Yamane (1967) formula was used to calculate the sample size for this study which comprised of 356 middle and senior level management employees of the 25 life assurance companies.

The study applied a structured questionnaire which was developed after a review of theoretical, conceptual and empirical literature relating to relational social capital and competitive advantage. Before using the questionnaire in the study, it was pretested on a sample of 36 middle and senior level managers in life assurance companies who were excluded in the main study. pretested for reliability and validity to gather primary data. The drop-and-pick method was applied to administer the questionnaire in the main study. The gathered data was analyzed using descriptive statistics such as percentages, frequencies, means, and standard deviations, while ordinary least squares regression analysis was utilized to examine the influence of relational social capital on competitive advantage of life assurance companies. Statistical Package for Social Sciences (SPSS) version 27 was used in the analysis.

This research was guided by tenets of ethics which includes informed consent, safety of participants, anonymity and confidentiality. In the entire research period, due care and attention was paid to protect the identity of everyone involved in giving information. The questionnaire did not include any private information such as name of the informant or company, thus maintaining privacy. Authorization to conduct the research was sought from the Institutional Review Board (IRB) of the United States International University – Africa (*USIU-A/IRB/F089-2022*) and Permit (*NACOSTI/P/23/23001*) was issued by the National Commission for Science, Technology, and Innovation (NACOSTI).

III. RESULT

The study focused on a sample of 356 study participants comprising middle and senior level managers of 25 life assurance companies in Kenya. Of this group, 321 participants completed the questionnaires resulting in a response rate of 90.2%. Most of the study participants were male (54.5%) whereas female respondents were 45.5%. Besides, 40.5% of respondents were between the ages of 31 and 40 years, while 33.6% of respondents were between the ages of 20 and 30, with only 0.6% being above age of 60 years. Additionally, majority of the study participants (75.1%) had a bachelor’s degree as their highest education attainment with only 0.6% having PhD degrees. The results also indicated that 35.5% of the respondents had been employees in the life assurance companies for a period between one and three years while 30.2% had been in the assurance companies for four to six years while only 9% had been employees in the assurance companies for a period of 10 years or above. These results indicated that the study was able to target the right managers with requisite experience and education who could provide relevant information regarding relational social capital and competitive advantage of the insurance companies.

The study sought to explore the prevalence of relational social capital in life assurance companies in Kenya. To assess the relational social capital of life assurance companies in Kenya, a set of statements were provided to study participants and they were required to indicate the extent they agreed or disagreed with those statements in regard to their life assurance companies. Participants were instructed to rate their level of agreement with the given statements on a five-point scale ranging from 1 (indicating strong disagreement) to 5 (indicating strong agreement). The intermediate values on the scale represented varying degrees of disagreement or agreement.

The researcher employed means (M) and standard deviations (SD) to analyze the responses. The mean values that ranged from 1.00 to 1.80, were interpreted as strongly disagree, 1.81 to 2.60 as disagree, 2.61 to 3.40 as neither agree nor disagree, 3.41 to 4.20 as agree and 4.21 to 5.00 as strongly agree. The results are presented in Table 1.

Table 1:

Descriptive Statistics for Relational Social Capital

Statements on Relational Social Capital	M	SD
The relationship between workers in this company is characterized by close personal interaction at multiple levels	3.61	.866
The relationship between workers in this company is characterized by mutual respect at multiple levels	3.76	.748
The relationship between workers in this company is characterized by mutual trust at multiple levels	3.57	.860
Our employees are skilled at collaborating to diagnose and solve problems	3.76	.840
Our employees share information and learn from one another	3.87	.768
Our employees interact and exchange ideas with people from different areas of the company.	3.79	.810
Our employees apply knowledge from one area of the company to problems and opportunities that arise in another	3.65	.812
Our firm provides social support when I face any difficulties at work	3.76	.920
Our firm provides social support when I face difficulties at a personal level	3.83	.905
Employees in this organization have the willingness to subordinate individual goals to collective goals	3.79	.843

M*=mean;* ***SD****=standard deviation*

The study results in Table 1 show that the study participants agreed towards all the statements on relational social capital, as evidenced by their means which ranged between 3.41 and 4.20. The study results show that the participants agreed that employees in their companies share information and learn from one another (M = 3.87, SD = 0.768) and also agreed that the firms provide social support when employees face difficulties at a personal level (M = 3.83, SD = 0.905). Besides, respondents agreed that employees in their companies interact and exchange ideas with people from different areas of the companies (M = 3.79, SD = 0.810) and also agreed that employees in the organizations have the willingness to subordinate individual goals to collective goals (M = 3.79, SD = 0.843). Besides, study participants agreed that the relationship between workers in the assurance companies is characterized by mutual respect at multiple levels (M = 3.76, SD = 0.748).

Research findings further show that study participants agreed that the employees in their companies are skilled at collaborating to diagnose and solve problems (M = 3.76, SD = 0.840) and similarly agreed that the firms provide social support when employees face any difficulties at work (M = 3.76, SD = 0.920). Moreover, respondents agreed that employees in the assurance companies apply knowledge from one area of the companies to problems and opportunities that arise in other areas (M = 3.65, SD = 0.812) and likewise agreed that the relationship between workers in the companies is characterized by close personal interaction at multiple levels (M = 3.61, SD = 0.866). study participants also agreed that the relationship between workers in the companies is characterized by mutual trust at multiple levels (M = 3.57, SD = 0.860). The implication of these descriptive findings is that in the opinion of the study participants, the assurance companies had strong relational social capital relating to trust and trustworthiness, norms and sanctions, obligations and expectations, and identify and identification.

The study sought to explore the extent of competitive advantage of life assurance companies in Kenya. To assess the competitive advantage of life assurance companies in Kenya, a set of statements were provided to study participants and they were required to indicate the extent they agreed or disagreed with those statements in regard to their life assurance companies. Participants were instructed to rate their level of agreement with the given statements on a five-point scale ranging from 1 (indicating strong disagreement) to 5 (indicating strong agreement). The intermediate values on the scale represented varying degrees of disagreement or agreement. The researcher employed means (M) and standard deviations (SD) to analyze the responses. The mean values that ranged from 1.00 to 1.80, were interpreted as strongly disagree, 1.81 to 2.60 as disagree, 2.61 to 3.40 as neither agree nor disagree, 3.41 to 4.20 as agree and 4.21 to 5.00 as strongly agree. The results are presented in Table 2.

Table 2:

Descriptive Analysis of Competitive Advantage

Statements on Competitive Advantage	M	SD
The company designs its services at the lowest possible cost to meet customer requirements	3.60	1.171
The firm seeks to reduce the costs of its direct services in a manner that does not conflict with service quality	3.91	.868
The firm uses low-cost initiatives for customers	3.49	1.162
The firm uses local and international quality assurance standards	3.93	1.086
The firm uses a variety of methods to improve the quality and uses continuous development of its services	3.97	.953
The firm is committed to exact dates of service provision	3.74	1.090
The firm offers a wide variety of services to satisfy customers desires	3.92	1.006
The firm introduces new services regularly to its customers	3.75	1.183
The company responds quickly to the required changes in its assurance services	3.82	1.062
Employees in this company have a variety of skills to provide more services	4.19	.860
This company diversifies its services in response to changing demand levels	3.82	1.041
This company provides electronic services for customers reliably	3.92	1.116

M=*mean;* ***SD***=*standard deviation*

Table 2 presents the research findings, which suggest that the study participants expressed agreement towards all the statements on competitive advantage, as evidenced by their means which ranged between 3.41 and 4.20. The results indicate that the participants agreed that employees in the companies have a variety of skills to provide more services (M = 4.19, SD = 0.860) and also agreed that the firms use a variety of methods to improve the quality and use continuous development of their services (M = 3.97, SD = 0.953). Besides, respondents agreed that the firms use local and international quality assurance standards (M = 3.93, SD = 1.086) and also agreed that the firms offer a wide variety of services to satisfy customers desires (M = 3.92, SD = 1.006). Further, respondents agreed that the companies provide electronic services for customers reliably (M = 3.92, SD = 1.116) and also agreed that the firms seek to reduce the costs of their direct services in a manner that does not conflict with service quality (M = 3.91, SD = 0.868)
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Study findings presented in Table 2 show that study participants agreed that the companies diversify their services in response to changing demand levels (M = 3.82, SD = 1.041) and further agreed that their assurance companies respond quickly to the required changes in their assurance services (M = 3.82, SD = 1.062). Additionally, respondents agreed that the firms introduce new services regularly to their customers (M = 3.75, SD = 1.183) and similarly agreed that the firms are committed to exact dates of service provision (M = 3.74, SD = 1.090).

Respondents also agreed that the assurance companies design their services at the lowest possible cost to meet customer requirements (M = 3.60, SD = 1.171) and likewise agreed that the firm use low-cost initiatives for customers (M = 3.49, SD = 1.162). These descriptive findings show that the according to the study participants, the assurance companies had competitive advantage on the three fronts of cost/product pricing, product differentiation and market focus.

The study's objective was to determine the influence of relational social capital on competitive advantage in life assurance companies in Kenya**.** Simple linear regression was fitted to accomplish this objective. Diagnostic tests to assess the assumptions of linear regression analysis were conducted before fitting the model. The diagnostic tests conducted included the linearity test, the test of outliers, the test of heteroscedasticity, and the test of normality of residuals. All the tests conducted indicated that all basic regression assumptions were satisfied. Thus, the simple linear regression model was fitted to test the null hypothesis of the study which was;

H_0: Relational social capital has no significant influence on competitive advantage in life assurance companies in Kenya.

The regression model summary shown in Table 3 includes the correlation coefficient (R) and the R-squared relating to the relationship and explanatory power of relational social capital towards competitive advantage of assurance companies in Kenya.

Table 3:
Model Summary for the Relational Social Capital on Competitive Advantage

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.593[a]	.352	.350	.69176

a. Predictors: (Constant), Relational Social Capital

The findings presented in Table 2 indicate that there is a significant and positive moderate relationship between relational social capital and the competitive advantage of life assurance companies in Kenya (r = 0593). The research results also suggest that relational social capital of assurance companies in Kenya account for 35.2% of the variance in their competitive advantage (r-squared = 0.352). This finding provides additional evidence that the unobserved factors omitted from the model may account for 64.8% of the variance in the competitive advantage of life assurance companies in Kenya.

The ANOVA test was performed by the researcher to assess the significance of the model. Table 4 presents a concise overview of the results.

Table 4:
ANOVA for Relational Social Capital and Competitive Advantage

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	82.774	1	82.774	172.976	.000[b]
	Residual	152.651	319	.479		
	Total	235.425	320			

a. Dependent Variable: Competitive Advantage
b. Predictors: (Constant), Relational Social Capital

The summarized research results presented in Table 4 demonstrate that the f-value for the model was statistically significant, thereby indicating the significance of the model ($F = 172.976$, $p < 0.05$). The results indicate that the regression model is a good fit for the data. The results further portray that the competitive advantage of life assurance companies in Kenya was significantly influenced by relational social capital.

The study produced regression coefficients in order to ascertain the degree to which relational social capital influenced the competitive advantage of life assurance companies in Kenya. The coefficients were utilized to evaluate both the magnitude and direction of the influence. Consequently, regression coefficients and t-tests were generated and the research findings are presented in Table 5.

Table 5:
Regression Coefficients for Relational Social Capital on Competitive Advantage

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.690	.242		2.847	.005
	Relational Social Capital	.842	.064	.593	13.152	.000

a. Dependent Variable: Competitive advantage

The study findings in Table 4 led to the following regression model:

$$Competitive\ advantage = 0.690 + 0.842\ (Relational\ social\ capital) + \varepsilon$$

The findings presented in Table 5 and the regression model indicate that relational social capital positively and significantly influences competitive advantage of life assurance companies in Kenya ($\beta = 0.842$, $t = 13.152$, $p < 0.05$). Therefore, the null hypothesis that relational social capital has no significant influence on competitive advantage in life assurance companies in Kenya was rejected. The findings indicate that a unit change in relational social capital would yield a corresponding shift of 0.842 in competitive advantage. The findings suggest that altering relational social capital in life assurance companies is likely to result in a corresponding shift in competitive advantage. Consequently, enhancing relational social capital is anticipated to result in an enhancement of competitive advantage, and vice versa.

IV. DISCUSSION

The study determined that relational social capital positively and significantly influences competitive advantage of life assurance companies in Kenya. These findings give credence to the social capital theory by Bourdieu (1983) which postulates that individual's position within a given social context predisposes them to certain benefits that accrue from the association with other parties within the context and thereby having advantages for the entire firm or society. The findings also agree with Nahapiet and Ghoshal (1998) that different institutions and social setups have better capacity to cultivate reciprocal relations founded on trust, which is an important factor in analysing relationships between firms and their customers and enabling firm to gain an edge in the market. The study findings also collaborate the findings by Lee et al. (2019) that reciprocity, expectations, and obligations, bonding ties, big networks, trust, and shared language facilitates resource acquisition.

Besides, the study findings support the findings by Yang and Konrad (2019) that relational capital positively impacted operational performance and that supplier quality integration equally played an important role in their relationship.

This study determined that there is a significant positive relationship between relational social capital and competitive advantage of life assurance companies in Kenya. These study findings concur with the findings by Zhao et al. (2018) that while social capital positively affected the performance and innovation, there was a positive association between innovation and performance. The study findings also agree with the findings by Suyanto and Hery (2013) that exporter-intermediary commitment and cooperation are influenced by relational social capital. The findings from regression analysis indicates that there is a significant positive relationship between relational social capital and competitive advantage of life assurance companies in Kenya. These findings support the findings by Gabbay and Zuckerman (2018) that business ties through relational social capital had a positive association with buyer-capital performance. Another study with similar findings by Pastor and Emili (2006) examined the relationship between competitive advantage and networks and found out that competitive advantage is brought about by relational features of the network with which enterprises are embedded plus their position. According to Pastor and Emili (2006), this is because connectedness, relational features, network centrality, weak ties, and structural holes lead to knowledge adaptation, control, and resources, hence competitive advantage.

Conclusion

This study established that relational social capital has a significant influence on competitive advantage of life assurance companies in Kenya. The implication of these findings is that by having close personal interaction at multiple levels in the life assurance companies, these companies can attain a competitive advantage. Besides, the findings imply that relationship between workers in the life assurance companies should be characterized by mutual respect at multiple levels and that in the life assurance companies, employees should be skilled at collaborating to diagnose and solve problems. Moreover, the study findings imply that employees at the life assurance companies should always interact and exchange ideas with other employees from different areas of the companies and thus enhance teamwork and interdepartmental coordination. To the life assurance companies, the findings imply that they should provide social support to employees when employees are faced any difficulties at work or when employees faced difficulties at a personal level.

Recommendations

The results of the study indicated that relational social capital has a significant positive influence on the competitive advantage of life assurance companies in Kenya. The study therefore recommends to senior management in life assurance companies to formulate and execute policies that encourage employees in their companies to share information and learn from one another. Senior management in life assurance companies should also have structures or procedures to provide social support when employees face difficulties at a personal level. Besides, management should institute and implement policies and practices that enable interdepartmental interactions and exchange of ideas by engaging in coaching and mentoring.

Additionally, top management teams in life assurance companies should cultivate a culture of mutual respect at all levels of the firms by leading through example. Besides, top management teams should have policies and procedures to develop employees' skills in relation to collaboration and teamwork.

This study provided valuable empirical evidence regarding the influence of relational social capital on competitive advantage of life assurance companies in Kenya. However, due to scope, methodological and contextual limitations, the findings of this study indicate the need for additional research. First, the research was centered on life assurance companies Kenya and thus the findings may have limited generalization to general insurance companies. Therefore, another study assessing the influence of relational social capital on competitive advantage of general insurance companies is recommended. Besides, this study used a questionnaire as the sole data gathering tool and this provided only a limited scope of data. It is thus recommended that future research would consider other qualitative data gathering techniques such as key informant interviews to provide deeper insights and explanations regarding the pathways through which relational social capital influences competitive advantage.

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