Influence of strategic management in the insurance sector: A case study in Huacho, Peru

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Abstract

The purpose of this research was to analyze how strategic management influences the improvement of the life insurance plan and the quality of service in a life insurance company in Huacho, Peru. A correlational design was used, the population and sampling technique was considered to be the managers, supervisor and personnel working in the company (34 employees). Validated surveys and instruments were used for data collection. Data analysis was by Spearman correlation. The results revealed a mixed perception of strategic management, with 47% of employees rating it as fair, while 67% rated strategic planning positively. Strategic management was found to have a positive influence on the quality of life insurance services, with a moderate correlation (Rho=0.52). This finding underscores the importance of well-implemented strategies for business success in the insurance industry.

Keywords: *Management, Life Insurance, company.*

Introduction

Strategic management constitutes an essential pillar in the field of corporate sustainability, playing a decisive role in the integration of strategy, vision and organizational culture with the principles of sustainability. Recent research has highlighted the importance of this link, emphasizing the incorporation of corporate sustainability within strategic management paradigms (Miranda Pegueros et al., 2022). Defined as a determining pattern in the flow of organizational decisions (Restrepo, 2012), strategic management exerts a remarkable influence on employee satisfaction, operational efficiency and business competitiveness, crucial aspects for corporate success (José et al., 2016; Mišanková & Kočišová, 2014).

Specifically in the insurance sector, strategic management assumes particular relevance. This sector, oriented to mitigate financial risks associated with property, human lives, health and employment (Sawada, 2017), is a critical component in the economic and social structure.

Insurance entities play a vital role in minimizing the financial repercussions of unexpected events (Medrano, 2008), and the lack of insurance coverage can lead to

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suboptimal economic decisions, especially in vulnerable sectors such as agriculture (Sabater Castro, 2017). Previous research has documented the existence of significant relationships between management in the life insurance business and economic growth (Pope et al., 2016).

In the Peruvian context, the insurance sector has achieved remarkable development in the last decade, with growth rates that exceed global averages, supported by a growing economic environment, a stable regulatory framework and a reduction in poverty rates (Anfossi, 2017). However, despite this progress, the share of this sector in Peru's Gross Domestic Product (GDP) is comparatively low, suggesting the need for a more in-depth evaluation of the management strategies applied in this area.

Given this scenario, this research addresses the following question: What is the degree of influence of strategic management on the performance of a life insurance company in Huacho, Peru? The purpose is to examine and discern how strategic management practices can optimize operational efficiency and raise the quality of service in the insurance sector, thus contributing to economic progress and regional corporate strengthening.

Materials and methods

This research project is designed by objectives and correlational approach, the Deductive-Inductive method was used because it started from general knowledge and then reached particular cases of institutional management. Also, the observation method was used because the knowledge process was initiated through direct contact with the members of the life insurance company.

The study population consisted of employees of MAPFRE S.A. a life insurance company located in the province of Huaura, Lima provinces - Huacho Region. Various organizational roles were included to obtain a comprehensive perspective (Table 1). The sample was selected by non-probabilistic sampling, focusing on those employees with direct experience in areas relevant to financial management.

Table 1. Population studied

Company personnel (MAPFRE SA)	Quantity
Managers	1
Supervisor	1
Professionals (Mortuary)	2
Technicians (Funeral Home)	6
Assistants (sales executives)	8
Insurance advisors (E. commercial)	8
Secretaries	4
Collectors	2
Laborers (cleaning)	2
Total	34

Validity

The validation was performed by a group of highly qualified experts in the field of strategic management and life insurance. This evaluation focused on two critical aspects:

1. Methodological dimension: Each item of the instrument was examined to ensure its

alignment with the variables and theoretical indicators established, guaranteeing its relevance and precision in the measurement of the concepts investigated.

2. Grammatical dimension: The wording of each item was reviewed to ensure clarity, consistency and comprehensibility, facilitating the interpretation of the questions by the participants. This rigorous process resulted in validity coefficients of 0.90 for life insurance and 0.92 for strategic management, indicating an outstanding level.

Reliability

To determine reliability, Cronbach's Alpha coefficient was applied, obtaining a value of 0.71. This result demonstrates an adequate internal consistency of the instrument, reflecting its ability to reliably measure employees' perceptions and experiences in relation to strategic management and life insurance products.

Data análisis

In this study on the influence of strategic management in a life insurance company, a meticulous approach was adopted in the analysis of collected data. First, data tabulation was performed, followed by the development of descriptive statistical tables. These were used to provide a clear and detailed visual representation of trends and distributions within the data set. These tables were crucial to facilitate preliminary understanding of the relationships between variables and to identify anomalies or outlier patterns. To assess the relationship between the strategic management and life insurance variables, Spearman's Rho correlation was selected. This choice was justified by the nature of the data, which were on an ordinal scale and do not fit a normal distribution, making Spearman's the most appropriate choice to measure the strength and direction of the association of the variables. For all statistical analysis, SPSS was used, recognized for its ability to handle complex statistical operations and provide accurate and reliable results.

Results

The results reveal a relatively balanced gender distribution within the organization, with 53.3% of employees being male and 47.6% female. In addition, the age structure of the organization shows that the majority of employees (46.6%) are in the 31 to 40 age range, followed by 26% who are between 41 to 50 years old. This concentration in a middle-aged population is classified as a mix of experience and stability for the company. Notably, 13.3% of the men are 30 years old or younger, representing an inclusion of young workforce talent, bringing new perspectives and focus to strategic management (Table 2).

Table 2. Distribution of employees of the life insurance company.

Ages	Sex		Total
	Male	Feminine	
< 30	0,0	13,3	13,3
31-40	13,3	33,3	46,7
41-50	26,7	0,0	26,7
51-60	13,3	0,0	13,3
Total	53,3	46,7	100,0

Table 3 shows employees' perceptions of strategic management in the life insurance company, revealing that 47% of the respondents rate strategic management as fair. Within this segment, a subdivision of perceptions related to life insurance services shows that 27% rate it as good and 20% as fair. On the other hand, 41% of employees perceive

strategic management negatively, rating it as bad. However, within this group, there is a diverse distribution in terms of perception of life insurance service: 27% rate it as good, while 7% rate it as fair and another 7% rate it as poor.

Table 3. Strategic management and life insurance services

Life insurance service	Strategic management			Total
	Malo	Regular	Good	
Malo	7	0	0	7
Regular	7	20	0	27
Good	27	27	13	67
Total	41	47	13	100

Table 4, of the 67% of the company's employees who rate planning as good, 40% indicate that the life insurance service is good. While 47% say that strategic management is fair, planning is good (67%). Likewise, 71% say that the life insurance service is good. With respect to the structural system, 100% stated that the structural system is good.

Table 4. Characteristics of the life insurance company

Life Insurance Service	Planning			Total
	Malo	Regular	Good	
Malo	0	7	0	7
Regular	0	0	27	27
Good	7	20	40	67
Total	7	27	67	100
Life Insurance Service	Address			Total
	Malo	Regular	Good	
Malo	0	7	0	7
Regular	7	20	0	27
Good	27	33	7	67
Total	33	60	7	100
Life Insurance Service	Organization			Total
	Malo	Regular	Good	
Malo	0	0	0	0
Regular	0	0	29	29
Good	0	0	71	71
Total	0	0	100	100
Life Insurance Service	Control			Total
	Malo	Regular	Good	
Malo	7	0	0	7
Regular	0	27	0	27

| Good | 0 | 67 | 0 | 67 |
| Total | 7 | 93 | 0 | 100 |

Life Insurance Service	Structural system			Total
	Malo	Regular	Good	
Malo	0	0	0	0
Regular	0	0	0	0
Good	0	0	100	100
Total	0	0	100	100

Life Insurance Service	Vision			Total
	Malo	Regular	Good	
Malo	0	7	0	7
Regular	7	7	13	27
Good	7	33	27	67
Total	13	47	40	100

Life Insurance Service	Misión			Total
	Malo	Regular	Good	
Malo	0	7	0	7
Regular	7	7	13	27
Good	7	33	27	67
Total	13	47	40	100

Table 5 shows that strategic management significantly influences the company's life insurance service (Rsp = 0.52). In other words, the better the strategic management, the better the life insurance service. As well as, planning, direction, organization, control, vision and mission significantly influence the life insurance service.

Table 5. Spearman's RHO Rank Correlation (n=15)

Strategic management		Insurance Service/Results
Degree of relationship	Correlation coefficient Spearman's Rho correlation coefficient	R_{sp}= 0,52*
Hypothesis testing	Sig. (bilateral)	P - value =0,034
Planning		
Degree of relationship	Correlation coefficient Spearman's Rho correlation coefficient	R_{sp}= 0,42*
Hypothesis testing	Sig. (bilateral)	P - value =0,045
Address		
Degree of relationship	Correlation coefficient Spearman's Rho correlation coefficient	R_{sp}= 0,35*

Hypothesis testing	Sig. (bilateral)	P - value =0,037
Organization		
Degree of relationship	Correlation coefficient Spearman's Rho correlation coefficient	R_{sp}= 0,38*
Hypothesis testing	Sig. (bilateral)	P - value=0,049
Control		
Degree of relationship	Correlation coefficient Spearman's Rho correlation coefficient	0,522*
Hypothesis testing	Sig. (bilateral)	0,046
Structural system		
Degree of relationship	Correlation coefficient Spearman's Rho correlation coefficient	R_{sp} = 0,52*
Hypothesis testing	Sig. (bilateral)	p - value = 0,042
Vision		
Degree of relationship	Correlation coefficient Spearman's Rho correlation coefficient	R_{sp}= 0,60*
Hypothesis testing	Sig. (bilateral)	P - value =0,025
Mission		
Degree of relationship	Correlation coefficient Spearman's Rho correlation coefficient	R_{sp}= 0,49*
Hypothesis testing	Sig. (bilateral)	P - value =0,015

Discussion

It was possible to identify that there is sufficient evidence to affirm that Strategic Management significantly influences the life insurance service with p=0.034<0.05; at the same time it is identified that the majority of the employees (47%) affirm that strategic management is of regular level and the majority indicate that they have a good level of service. This result is related to Molina (2009), which allows classifying the company's vision, mission and strategy, complying with the expected results that define the strategies and integrate the objectives and indicators of all areas.

With respect to planning, the results indicate a good level, as stated by 67% of the employees, it correlates positively with service quality, evidenced by a p-value of 0.045. These results are congruent with literature (Govea Souza, 2021) and businessmen (Apaza Paucara & Apaza Flores, 2022), who recognize the ability of planning to positively and significantly influence business processes.

Management significantly influences the company's life insurance service (p-value = 0.037), identifying in turn that 67% of the employees have a management level of good and 60% present an insurance service level of fair. The management of a company plays

an important role in the performance of the company, besides being the one that guides to achieve effectiveness and efficiency, in order to achieve high performance standards (Montoya & Boyero, 2016).

The organization significantly influences the company's life insurance service, being the degree of relationship moderate and positive (Rsp = 0.38); identifying in turn that 71% of the employees maintain that the insurance service is of a good level and 100% of the employees indicate that the organization has a good level of service. This confirms that the monitoring and control of insurance companies guarantee good service (Abdullah, 2011).

Control has a significant influence on the company's life insurance service, being the degree of relationship moderate and positive (Rsp = 0.522). In turn, it is identified that 93% of the employees indicate that the control in the company is of a regular level and the level of insurance services of the company is good, in addition, researchers mention that the control has a significant effect on the profitability of the company (Bikker & van Leuvensteijn, 2008).

The Structural System significantly influences the company's life insurance service (Huang, 2007), with the degree of relationship being moderate and positive (Rsp = 0.52). It has also been identified that 100% of the employees rate the company's structural system as good and 100% rate the insurance service as good. According to Bautista Penna (2010), he points out that disinformation and disinterest (0.9577) corresponds to the reasonable assumption that the insurable population is uninformed about life insurance products and their coverage, and is not interested in their existence and characteristics. At the same time, if people are not interested in personal protection products, it is logical to assume that misinformation about them will abound, representing a positively correlated synergy to discourage the purchase of this type of insurance.

The mission reported within the employees significantly influences the company's life insurance service, with the degree of relationship being moderate and positive (Rsp = 0.60). In addition, it is observed that the vision of the employees, in its majority (47%), is at a regular level; and 67% of the employees rate the insurance service as good. These results indicate that the vision and mission is shared by all members of the company and this influences employee satisfaction and commitment to the company (Weisberg & Dent, 2016).

Conclusions

Strategic management is coherent and has a positive influence on the company's life insurance service, being of great importance to improve and achieve the company's objectives and this indicator is important for the population because it provides the peace of mind that human beings need in very difficult times. Therefore, the insurance company had a good and important structural system for life insurance.

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