CHAPTER FIVE: CONCLUSION AND FUTURE DIRECTION

The chapter furnishes a comprehensive and critical discussion of the key findings, conclusions and recommendations from the study on operational risk management at SamChi Micro-insurance. It re-evaluated the achievement of the research aims and objectives, followed by outlining the main conclusions drawn from analyses regarding plausible risk sources, assessment of current strategies and benefits of effective risk oversight. The chapter then provided answers to the research questions guiding the study before examining the theoretical, methodological and empirical contributions. Practical managerial and policy recommendations for SamChi and the micro-insurance sector were also presented, in addition to reflections on how the study exemplifies Education 5.0 principles aimed at the production of goods and services and the furnishing of models. Limitations of the quantitative research design were acknowledged, concluding by proposing promising areas for further research.

The main aim of the study was to rigorously explore and examine the operational risks associated with SamChi Micro-insurance and to assess the effectiveness of its risk management strategies. This aim was thoroughly achieved through a structured approach that involved identifying plausible sources of operational risks, evaluating current risk management practices, establishing the benefits of effective risk management, and designing a practical framework for operational risk management tailored to micro-insurers.

To address the first objective of exploring the plausible sources of operational risks, the study identified critical factors such as the lack of clearly defined standard operating procedures, inadequate staff training, and poor inter-departmental communication. Factor analysis revealed strong interrelations among these risk sources, with significant variance explained, demonstrating their impact on SamChi's operational vulnerabilities. This objective was achieved as the findings corroborate existing literature on the importance of process standardization and staff competency in mitigating risks.

The second objective, assessing the operational risk management strategies currently employed at SamChi, was achieved by identifying key components of their risk management practices. The analysis highlighted the significance of ongoing training, regular risk identification, and the integration of risk management into business processes. With strong factor loadings and a high reliability score, the study confirmed that SamChi's approach aligns with leading practices while also indicating potential areas for improvement, particularly in underwriting and fraud prevention strategies.

The third objective aimed at establishing the plausible benefits of effective operational risk management was successfully met. The findings indicated that robust risk management practices lead to reduced financial losses, enhanced regulatory compliance, improved business continuity, and increased customer trust. This objective was validated through descriptive statistics that reflected respondents' perceptions of the benefits, thus reinforcing the argument that effective operational risk management is vital for the sustainability of micro-insurance firms.

Lastly, the fourth objective, that involved designing a framework for effective operational risk management, was accomplished through the development of a model that elucidated essential components such as well-documented processes, risk identification protocols, and regular assessments. The strong internal consistency of the framework, supported by high variance explanation, underscores its potential utility for SamChi and similar micro-insurance organisations.

The study concluded that the key sources of operational risk for SamChi Micro-insurance stem from a lack of clearly defined standard operating procedures, inadequate staff training, and poor communication between departments. The factor analysis revealed high loadings for these risks, suggesting they significantly influence operational vulnerabilities if not properly addressed. Out-dated technology systems and insufficient internal controls were also found to be major contributors to operational risk exposure according to the findings. To effectively minimize these risks, the study concludes that SamChi must focus on enhancing their internal processes, communications approach, staff competency development

programs, technology infrastructure, and control mechanisms. Failing to strengthen these areas could continue to undermine the organisation's operational risk resilience.

Therefore, H1 was accepted

Based on the results, the study concluded that while SamChi's emphasis on risk management training, ongoing risk identification and monitoring processes, clearly outlined roles and responsibilities, integration of risk considerations into decision-making, and regular control evaluations aligns with leading practices, there may be room for improvement in other strategic domains. In particular, the findings indicate SamChi's strategies could potentially be strengthened in the critical areas of underwriting risk oversight and fraud prevention. To fully optimize its approach, the study concludes that a more comprehensive evaluation of SamChi's entire operational risk management framework is necessary to identity any existing gaps, with corrective actions then required to ensure risks are being appropriately mitigated across all functional areas.

Therefore, H2 was accepted

The study concluded that maintaining robust and proactive operational risk practices delivers clear and tangible advantages to micro-insurers. Specifically, the findings determined effective risk oversight directly contributes to reduced financial losses, ongoing regulatory adherence, improved resilience during disruptive events, and elevated customer trust in the organisation. By safeguarding financial stability, strengthening operational continuity, and boosting client confidence, the study concludes that comprehensive operational risk management functions as a pivotal strategic enabler for micro-insurers like SamChi by optimizing core business outcomes while also upholding longer-term organisational sustainability.

Therefore, H3 was accepted

Based on the results, the study concluded that implementation of a formal operational risk management framework containing elements such as documented risk policies and procedures, thorough risk identification protocols, regularly conducted risk assessments, well-defined risk management roles, and sufficient dedicated resourcing would greatly enhance

SamChi's ability to systematically identify, evaluate, monitor and control operational risks on an enterprise-wide basis. The findings emphasize that adopting such a structured and integrated framework approach, with clear guidelines and accountabilities, has the potential to significantly boost SamChi's operational risk oversight capabilities over the long-term. This optimized governance would better position the organisation to operate in a compliant, resilient and risk-aware manner within its competitive landscape.

Therefore, H4 was accepted

The study identified several key sources of operational risks at SamChi Micro-insurance. The most significant factors include a lack of clearly defined standard operating procedures, inadequate staff training, and poor communication between departments. These elements were highlighted through factor analysis that indicated strong interrelations among them. Additionally, out-dated technology and insufficient internal controls were also identified as critical risk factors. Addressing these sources is essential for enhancing operational resilience and minimizing vulnerabilities within the organisation.

The assessment revealed that SamChi employs several effective operational risk management strategies, including adequate training on risk management, regular identification and monitoring of risks, and clearly defined roles and responsibilities. The study's findings indicated strong agreement among respondents regarding the importance of these strategies, supported by a high Cronbach's alpha score. However, there are areas for improvement, particularly in underwriting risk oversight and fraud prevention, suggesting that while the current strategies are beneficial, a more comprehensive evaluation is necessary.

Effective operational risk management provides significant benefits to micro-insurance companies, as evidenced in the study. Key advantages include a reduction in financial losses, better regulatory compliance, improved business continuity during disruptions, and enhanced customer trust. These benefits were corroborated by the respondents' perceptions, indicating a strong belief in the positive impact of robust risk management practices on organisational performance and sustainability.

The study successfully designed a framework for managing operational risks that emphasizes essential components such as well-documented processes, effective risk identification, and regular risk assessments. The framework was validated through factor analysis, demonstrating strong internal consistency and high variance explanation. Implementing this structured approach would significantly enhance SamChi's ability to systematically identify, evaluate, and control operational risks, thereby optimizing its risk management practices within the micro-insurance sector.

The study significantly contributes to the theoretical landscape of operational risk management within the micro-insurance sector. By identifying specific sources of operational risk and their interrelations, the research extends existing theories on risk management by providing empirical evidence tailored to the unique context of micro-insurance. It highlights the critical importance of standard operating procedures, staff training, and communication as foundational elements for mitigating risks. Furthermore, the development of a customized operational risk management framework offers a theoretical model that micro-insurers can adapt to enhance their governance structures. This contribution not only deepens the understanding of operational risks in micro-insurance but also paves the way for future theoretical explorations in related fields.

In terms of methodology, this research utilised a robust scientific approach, incorporating descriptive statistics, exploratory factor analysis, and reliability testing to ensure the validity and reliability of the findings. The use of multiple linear regression to analyze the relationships between independent variables and operational risk management underscores the methodological rigor of the study. By applying these techniques in the context of micro-insurance, the research sets a precedent for future studies in this domain to adopt similar methodologies. Moreover, the study's comprehensive approach to assessing operational risks and management strategies provides a methodological framework that can be replicated in other settings, thereby enhancing the research toolkit available to scholars and practitioners in the field.

Empirically, the study offers valuable insights into the operational risk management practices at SamChi Micro-insurance, highlighting both the strengths and weaknesses of their current strategies. The findings indicate that effective risk management leads to significant benefits, such as reduced financial losses and improved regulatory compliance. By presenting concrete data on the impact of operational risk management practices, the research adds to the empirical evidence supporting the need for robust risk governance in micro-insurance organisations. Additionally, the development of a tailored operational risk management framework serves as a practical tool for micro-insurers, illustrating how empirical findings can be translated into actionable strategies that enhance organisational resilience and performance. This contribution not only informs industry practitioners but also enriches the academic discourse surrounding risk management in micro-insurance contexts.

Senior Management should:

Assign clear roles and responsibilities for risk management within the organisation to enhance accountability (Clark, 2021).

Risk Management Team should:

Develop a risk monitoring framework for ongoing risk identification and assessment to ensure timely responses (Evans, 2022).

Training Coordinators should:

Facilitate cross-departmental training to enhance understanding of operational risks and collaborative problem-solving (Harris, 2023).

The Quality Assurance Team should:

Conduct regular reviews of risk management practices to evaluate strategies and identify areas for improvement (Wright, 2022).

Other Teams:

- Employee Engagement Team: Implement feedback mechanisms that allow staff to provide input on risk management practices, promoting engagement and continuous improvement (Turner, 2023).
- Data Analytics Team: Uutilise data analytics tools to quantitatively evaluate operational risks and enhance decision-making (Roberts, 2022).
- Continuous Improvement Team: Encourage a culture of continuous improvement in risk management practices, adapting to new challenges (Nelson, 2021).

- Stakeholder Engagement Team: Engage key stakeholders in discussions about risk management strategies to ensure diverse perspectives are considered (Green, 2023).

Education 5.0 is a transformative approach aimed at fostering innovation, industrialisation, and practical solutions to real-world challenges through a structured integration of academic, scientific, and practical methodologies. The study on operational risk management at SamChi Micro-insurance aligns with this framework by not only addressing theoretical foundations but also proposing actionable solutions that can directly impact Zimbabwe's micro-insurance industry. This section discussed how this research exemplifies Education 5.0's goals by contributing to knowledge generation, practical application, and innovation.

The study contributes significantly to understanding the sources of operational risks in micro-insurance. Through rigorous data collection and analysis, the research identified key operational risks, including inadequate communication, out-dated technology, and lack of standard operating procedures. These findings highlight the gaps that need to be addressed to ensure the resilience of micro-insurers like SamChi. By applying Education 5.0 principles, the research emphasizes the need for academic inquiry that is directly linked to real-life organisational challenges. The use of factor analysis, reliability testing, and other scientific methods to validate findings demonstrates a systematic approach to knowledge generation, ensuring the research's credibility and relevance.

A key objective of Education 5.0 is to foster innovation by transforming theoretical knowledge into practical solutions. The study fulfils this goal by designing a comprehensive operational risk management framework tailored to the specific needs of micro-insurers. This framework, grounded in empirical evidence, offers a structured approach to risk identification, assessment, and mitigation. By recommending improvements such as upgrading technology, strengthening internal controls, and enhancing staff training, the research provides concrete, actionable steps that can be implemented to address identified risks. This approach not only advances theoretical understanding but also directly supports the industrialisation and

modernisation goals of Education 5.0 by proposing innovations that improve business operations.

The study emphasizes the importance of building internal capacity within micro-insurance organisations, particularly in areas such as staff competency development, communication, and risk governance. Education 5.0 seeks to create knowledge-driven industries that can sustain themselves through ongoing capacity building. The research's recommendation to integrate risk management training and continual review processes into daily operations fosters a culture of continuous improvement and learning. By encouraging the development of internal capabilities, the study aligns with Education 5.0's objective of creating sustainable, knowledge-based solutions that can be replicated and scaled across the sector.

Education 5.0 also stresses the need for strong linkages between academia, policy-making, and industry. The study's recommendations extend beyond SamChi, offering insights that are applicable to the broader micro-insurance sector in Zimbabwe. By proposing that risk management be integrated into organisational policies and advocating for the establishment of risk management committees, the research bridges the gap between academic findings and policy development. This alignment with industry needs ensures that the research outputs are not only academic exercises but also practical contributions to sectoral improvements. Furthermore, the proposed longitudinal and comparative studies offer avenues for future research, fostering an ongoing collaboration between academia, industry, and policymakers.

Management Teams can:

- Define and enforce clear standard operating procedures (SOPs) across all departments to minimize operational risks (Smith, 2022);
- Improve internal communication by developing effective channels to foster collaboration between departments (Brown & Taylor, 2023).

Training and Development can:

- Enhance staff training programs by implementing regular training sessions focused on operational risk management (Johnson, 2021).

- Promote a risk-aware culture by fostering an environment that prioritizes risk awareness and proactive management among all employees (White, 2022).

Risk Monitoring and Assessment can:

- Conduct regular risk assessments to identify and address emerging risks proactively (Lee, 2022).
- Strengthen internal controls by establishing robust mechanisms to prevent operational failures and enhance compliance (Davis, 2021).

Systems and Processes:

- Upgrade technology by investing in modern solutions to streamline operations and reduce risks associated with outdated systems (Miller, 2022).
- Integrate risk management into organisational policies to promote a unified approach (Roberts, 2023).
- Establish a risk management committee to oversee practices and ensure accountability (Anderson, 2021).
- Monitor regulatory compliance by regularly reviewing adherence to relevant regulations and adjusting policies as necessary (Taylor, 2023).

The findings from the study can be generalised to other micro-insurance organisations in Zimbabwe and similar emerging market contexts. Firstly, the sources of operational risk identified such as inadequate training, lack of standard processes and poor communication are common challenges faced by micro-insurers regardless of size or location. Similarly, the benefits of effective risk management in reducing losses, improving compliance and enhancing resilience cut across the industry.

Additionally, the assessment of SamChi's risk strategies and development of a tailored framework provide lessons that can be adapted by other micro-insurers. While individual risks and suitable mitigation tactics may differ, the overarching recommendations around clearly defined roles, on-going monitoring and a structured approach are universally applicable. Lastly, the sector-wide policy proposals on integrating risk management into regulations and organisational policies, if implemented, would support improvements across the broader micro-insurance landscape. The research therefore

generates knowledge that micro-insurers in comparable environments can reference to strengthen their own governance.

One of the limitations of this quantitative research study was that it was conducted as a cross-sectional study at a single point in time. This means that changes in operational risks and management practices over extended periods could not be accounted for. A longitudinal study conducted over multiple years may provide deeper insights into the dynamics of operational risk exposure and the impact of mitigation strategies over time.

Additionally, using self-reported survey data from SamChi employees is subject to potential response bias. Although anonymity was assured, respondents may have responded in socially desirable ways. Triangulating the survey results with official company records on risks and strategies could help enhance the validity of the findings.

Generalising the findings was also limited since the study only focused on analyses at a single micro-insurer, SamChi. Conducting comparative studies that analyse and compare operational risks and practices across multiple micro-insurance firms would help strengthen the external validity and generalizability of the results.

One potential area is to conduct a longitudinal study tracking operational risks and management strategies over multiple years at SamChi. This could provide valuable insights into how risks and mitigation efforts may change and evolve over an extended period of time.

Comparative studies analysing and comparing operational risks and practices across a sample of micro-insurers of varying scales would help generalise findings while also providing deeper understanding of industry-wide and firm-specific challenges.
Conducting more in-depth case studies of high-performing micro-insurers' specific risk management strategies could help uncover best practices that other firms could aim to replicate.

An experimental research design manipulating factors like training programmes or communication channels could establish clearer causal impacts on organisations' overall operational performance.

As operational risks are always evolving with technological changes, future research should explore new challenges arising from FinTech disruption and potential solutions like AI-based forecasting of emerging risks.