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STRATEGIC DRIFT AND ITS EFFECT ON THE PERFORMANCE OF INSURANCE COMPANIES IN NAIROBI CITY COUNTY, KENYA

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Abstract

Organizations functions in an external setting which is continually altering and mostly characterized by instability linked to globalization, changes in customers and investors demands, increased competition and markets deregulation. This study determined strategic drift and its effect on the performance of insurance companies in Nairobi County. The study's specific objectives were to establish how organizational culture, leadership, strategic planning and finally innovation affect the performance of insurance companies in Kenya. The study embraced a descriptive design and census was used to get the 49 registered insurance companies carrying out business in Nairobi County. A sample size of 49 respondents was purposively sampled where only general managers in the insurance companies were interviewed. Data was collected using questionnaires. This study used construct, face and content validity. A Cronbach's Alpha of 0.7 was satisfactory for the assessment of the questionnaire's reliability. Data was analyzed using both descriptive and inferential statistics with the help of excel and SPSS. Findings showed a statistically significant negative relationship between organization culture and organization performance, a statistically insignificant negative relationship between leadership and organization performance. Additionally, there was an insignificant positive relationship between innovation; strategic planning and organization performance. The study recommends that the insurance companies should ensure that the mission of the insurance company has *been communicated to the employees clearly since organization culture significantly affects organization performance of insurance companies.*

Keywords: Strategic drift, organization culture, leadership, innovation, strategic planning, organization performance, insurance companies

INTRODUCTION

Organizations functions in an exterior setting which is continually altering and mostly characterized by instability linked to globalization, changes in customers and investors demands, increased competition and markets deregulation (Drucker, 2011). The frequent variations brings about uncertainties in the business setting which makes business managers unable to adjust due to incapability to effectively identify new opportunities, detection and interpretation of problem areas and issues and implementation of strategic responses. Teece*et al.* (2007) argued that integration, building and reconfiguration of organization's resources and competencies is enabled by the dynamic capabilities and therefore, avoid strategic drift by maintaining performance in the face of altering business settings. There is need for organizations to react to these alterations by continually scanning the business setting and adopting strategies which position them as feasible in the market enhancing their performance (Fahey & King, 2010). Further, adoption of strategic approach to deal with the alterations will help them to thrive amidst the changes.

Organizations' remaining very competitive over a period of time as the business setting alters, learning adaptation strategies and reorienting themselves is very critical in avoidance of strategic drift (Auster&Choo, 2004). There is need of having cautious and harmonized inclination leading to a steady systematic readjustment amid organization's business setting and strategic positioning resulting in improved performance, efficiency and effectiveness so as to achieve the long term growth and improve their performance (O'Regan*et al*., 2012). Understanding the constraints, opportunities and menaces provided by the external setting is vital for the firms to profit from opportunities and avoidance of the menaces by applying appropriate response strategies as well as avoid strategic drift that will hinder their performance, survival and competitiveness (Xu*et al*., 2003).

According to Sammut-Bonnici (2014), strategic drift is the steady decline of competitive action resulting in an organization failure in acknowledging and responding to alterations in the business setting. It describes a gist of intellectual inactivity in the organization's ability in meeting the objectives originally put in place. The signs of strategic drift are a similar viewpoint at the management and panel levels, protection of the ranks, absence of emphasis on the exterior business setting and performance failure.

Strategic drift occurs when there is a failure of the strategies to maintain pace with the changing environment. Also, due to uncertainty of change hence a tendency to stick to the familiar. Strategic drift can also be due to core rigidities whereby competencies that are taken for granted and deeply embedded in procedures are hard to alter even when their suitability is no longer there. Strategic drift is therefore characterized by highly homogeneous organizational culture and paradigm and where questioning is discouraged, there are significant blockages of power to change such as dominating leaders who are resistant and there is less focus on the organization's external business setting (Mark & Spencer, 2008).

Statement of the Problem

The business setting in Kenya is dynamic, turbulent and unpredictable. The success of any business in such a setting is dependent on its capability to respond to environmental variations. In the recent past, the insurance industry in Kenya has undergone a sequence of variations through reforms in finances, advancements in ICT, financial services globalization and development in the economy (AKI Report, 2014). These alterations have had a significant effect on efficacy, productivity and structure of the market and giving rise to a business setting that is highly competitive affecting the insurers' performance (Gitau, 2013).

Several studies have been conducted in the Kenya's insurance industry. Mudaki*et al*., (2012) determined the impacts of operative factors on organizational performance in Kenyan insurance business, Opanga (2013) investigated corporate governance and financial performance relationship in insurance companies in Kenya, Boromo (2015) did a study on the financial performance determinants for life insurance firms in Kenya, Kibicho (2015) assessed the strategy implementation determinants in the insurance business in Kenya, Kiragu (2016) studied the effect of innovation on insurance companies' performance in Kenya while Mumo (2017) established the factors affecting non-financial performance of insurance companies in Kenya with an emphasis on the AAR insurance company in Nairobi. Evidently, none of these studies have focused on strategic drift and performance of insurance companies which this study endeavored to establish.

It is in light of this knowledge gap that this research sought to fill by investigating the effect of organizational culture, leadership, strategic planning and technological innovation on strategic drift.

Research Objectives

General Objective

The main objective of the study was to establish the effect of strategic drift on the performance of insurance companies in Nairobi City County Kenya.

Specific Objectives

i. To establish how organizational culture affects the performance of insurance companies in Nairobi County, Kenya.
ii. To examine the effect of leadership on the performance of insurance companies in Nairobi County, Kenya.
iii. To assess how strategic planning affects the performance of insurance companies in Nairobi County, Kenya.
iv. To find out how innovation affects the performance of insurance companies in Nairobi County, Kenya.

Research Questions

i. How does organizational culture affect the performance of insurance companies in Nairobi County, Kenya?
ii. What are the effects of leadership on the performance of insurance companies in Nairobi County, Kenya?
iii. How does strategic planning affect the performance of insurance companies in Nairobi County, Kenya?
iv. To what extent does innovation affect the performance of insurance companies in Nairobi County, Kenya?

THEORETICAL REVIEW

Black Swan Theory

The theory was propagated by Nassim N. T. (2008) who stated that the earth is deeply influenced by occasions that are intermittent and unpredictable, of low probability but causing significant effect. Silberzath (2013) denoted that new categories of events are not created by a black swan but simply a known category of events occurs whose probability is normally underestimated. The occurrence of these events is not because their probability is intrinsically unpredictable, but the wrong calculation by the model used or dismissal of the probability of the occurrence of the event if the needful to take them earnestly.

The Black Swan concept is important in the understanding of how mistakes are made in the estimation of the probabilities of varying events which belong to a known world. The mistakes are mostly psychological or methodological biases. According to Davidson (2010), likelihood risks can be enumerated by individual calculating power. He further denoted that such insurance or self-insurance costs accounts for all calculations of entrepreneurial marginal cost. This process of insurance therefore allows tycoons in the making of short run benefits expanding coherent production and investment decisions even when they are dealing with processes that are risky. There is no provision of a satisfactorily large sample for adequate black swans' appearance in calculation of a probabilistic risk of combating a black swan in this theory. This black swan theory relates with the leadership of the insurance companies. This can help the management in a great way in making centralized decisions to avoid making decisions that would jeopardize the running of the company in case a mistake is done. Conversely, the management is able to make informed decisions based on the probable risks expected.

Arbitrage Pricing Theory

This theory was propagated by Stephen R. (1976). It states that the anticipated investment return can be demonstrated as a direct association of numerous macroeconomic variables or where correlation degree to each variable change is beta coefficient representation. The ROR that is derived by the model is then used to get the correct asset price or value. The value of the asset should be similar to the expected end of period asset value or future cash flows discounted at the rate indicated by the model. Varying the asset value, arbitrage brings it back to the line.

APT is in agreement that although many varying particular forces can affect the proceeds of an individual stock, the specific consequences tend to annul in large and well differentiated portfolio. This is the diversification dogma and has an effect in the insurance industry. There isn't a way of predicting if a specific person will fall sick or their involvement in a misfortune by an insurance firm but there is a way of perfectly predicting of the losses by the company on a large pool of such risk. Occurrence of natural disasters significantly affects losses on insurance by instantaneously upsetting a lot of claimants.

Estimation of the insurance prices relating to the competitive market is designed by the models. The company's market value is increased by arraigning a price higher than the competitive price and the vice versa. Financial dummies and financial worthiness are therefore significant information items at the disposal of insurers' financial decisions making on tariff calendars and reinsurance terms of contract. Estimations of the risk market prices for the factors that are risky and the beta coefficients for insurance are required by the model. Comparably, there is a possibility of getting insurance models giving a price for the policy of the insurance such as default risk free thus relevant to this study as it was useful in strategic planning in pricing of the insurance policies.

EMPIRICAL REVIEW

Organizational Culture and Performance of Insurance Companies

A study was done by Ojo (2008) who investigated the impact of organizational culture on the insurance companies' performance in Nigeria. The study investigated the significance of the relationship between organizational culture and performance and stressed the importance of a robust employee-responsive culture. Collection of data was done using questionnaires and research hypotheses were tested using the chi-square method. Findings showed an organization culture and performance relationship and that an effectual performance results from a strong employee-responsive culture. Further, companies' values and beliefs were incompatible with that of few employees. The study recommended putting in place proper machinery to bring about compatibility which will ensure unity of purpose.

Moradi*et al*., (2013) looked into the effect of organizational culture on the insurance companies' performance in Iran. A statistical society was analyzed which composed of 15 Iranian private insurance companies' managers and vice presidents. Patterning structural equations was used to test the effect of organizational culture. Findings showed that the culture of an organization affects competitive strategy and performance of an organization directly and indirectly respectively. This study endorsed that culture and strategy fit enhances the competitive advantage of a firm. Further, the organizational culture and performance relationship of an organization can be moderated by strategy fit.

Bashayreh (2014) did a study on culture of an organization and its influence on the performance of an organization whose focus was on the Jordanian insurance sector. The study examined the relationship between the culture of an organization's dimensions and performance of an organization among insurance companies operating in the Jordan market. 240 randomly sampled respondents from the insurance companies partook in the study. Data was collected using survey questionnaires and analysis using descriptive and inferential statistics. Findings showed an insignificant relationship between stability and communication, expectations of an organization, development encouragement, behavioral styles and performance of the organization.

A study was conducted by Omondi (2014) on the impact of culture of an organization on employee performance on their jobs at Pacis Insurance Company Ltd. Self-administered questionnaire was the data collection tool and analysis was done using SPSS. Findings confirmed that alignment of a workforce that is committed with the pursuits, concepts and beliefs of an organization and helping employees participate towards the accomplishment of their purpose in the firm by the supervisors and management characterizes high performing organizations. The conclusion was that an organization with the culture which involves its employees has a tendency of performing well since the decisions made by the organization tend to be owned by the employees.

Leadership and Performance of Insurance Companies

Kasturi (2006) did a study on the performance management in insurance corporations. The study focused on performance management system in insurance corporations, with a foundation on the performance management philosophies in service organizations. There was the identification of the practices of the management and procedures making insurance corporations efficient and competent. Evaluation of the organizational units' performance and the different aspects of performance management were done. Key performance indicators were suggested and factors of success for performance management in insurance companies.

Adeoye (2014) did a study on the effect of compensation management on the role of leadership of employees in insurance sector in Nigeria. Questionnaires were the data gathering tools. Analysis of data was conducted using SPSS where descriptive statistics and Pearson Product Moment Correlation was done. The study showed a positive relationship amongst the variables with a weak association r= 0.481 (48.1%). Additionally, compensation management affects leadership roles of the employee and leadership is a motivation to the employees to perform efficiently.

Hsu (2016) did a study on the relationships among transformational leadership, employees' learning abilities, creativity and job performance in Taiwan insurance companies. Sample size was 209 salespersons from 10 insurance companies in Taiwan and Multifactor Leadership. Data was collected using questionnaire (MLQ). Data analysis was conducted using SEM and CFA. Findings indicated that transformational leadership was positively related to employees' learning abilities, employees' learning abilities were positively related to their creativity, employee creativity was positively related to their job performance and employees' learning abilities were positively related to their job performance.

Innovation and Performance of Insurance Companies

Mbogoh (2013) determined the effect of financial innovation on monetary performance of Kenyan insurance firms. Primary and secondary data was collected using questionnaires and published information. Descriptive and inferential statistics were conducted to generate descriptive, regression of coefficients as well as to determine the fitness of the model using SPSS. Results indicated that the relationship between new products and financial performance was insignificant. Further, operation processes and system innovations were statistically significant in explaining return on assets of insurance companies.

Gitau (2013) assessed the strategies adopted by Kenyan insurance companies in the alleviation of low insurance penetration. Data collection and analysis was conducted using questionnaires and SPSS respectively. Findings indicated that the linguistic in the legal documents creating an insight that much is in the concealed print is the key difficulty faced by the insurance companies in their products marketing. Additionally, there is unhealthy competition due to absence of creativity and innovations among insurance companies.

Ombaka (2014) did a study on resources, exterior setting, innovation and performance of insurance firms in Kenya.A 5 point Likert type questionnaire and an interview guide were used in the collection of primary data. Secondary data on financial performance was collected from Association of Kenya Insurers annual report of 2011 and 2012 and analyzed data using SPSS. Results denoted that innovation had a statistically significant intervening impact on the relationship between resources and non-financial performance. There was a insignificant relationship between resources influence of innovation on performance of Kenyan insurance firms. Questionnaires collected primary data and SPSS was used for descriptive and inferential statistics analysis. Findings denoted that both product and process innovation positively and significantly affected performance of an organization. Further, process innovation was the major innovation type in the Kenyan insurance industry. The study suggested that for improvement in performance of insurance companies, there is need for management to put more emphasis on process innovation and using objective and subjective measures, adopting longitudinal research design, multiple informant approach and wider scope of study in the assessment of performance.

Strategic Planning and Performance of Insurance Companies

Irajpour and Zabihi (2015) did an examination on the impacts of strategic planning on private insurance firms' performance in Iran. Data collection was by questionnaires and were analyzed using SPSS. Research results showed that the strategic process where strategic analysis tools are used and strategic issues are focused on affects the financial performance and that there is need for strategic planning and strategies emphasis. Liyai (2014) determined strategy and performance of British American insurance company Kenya limited. Interview Guides collected primary data and secondary data was extracted from existing published and unpublished records such as The AKI and IRA Annual Publications, Articles, related Journals, Electronic data and the company's audited Financial Statements. The data collected was analyzed through the Content Analysis Technique. The results confirm to the findings of other past studies on the relationship between strategies adopted and effectively implemented and organization performance.

Gaitho (2015) conducted a study on the adoption of strategic planning practices that affect performance of UAP insurance company limited in Kenya. Primary source of data was used which was collected through interview guide. Key interviewees of the study included the underwriting manager, business development manager, customer service and the communications manager. Data was analyzed was by content analysis. Findings denoted that there exist strategic planning practices among them competitive pricing to set the premium amounts, controls that ensure high level of performance together with periodic evaluation that ensure UAP Insurance has improved performance.

Muia (2017) studied the influence of competitive strategies on the performance of Kenyan insurance firms. Respondents were purposively sampled. A correlation analysis between differentiation strategy and performance was a strong positive one and the regression coefficients showed a positive and significant association between differentiation strategy and performance of insurance. Additionally, a strong and positive significant relationship was found between focus strategy and insurance performance.

Strategic Drift and Performance of Insurance Companies

Maina (2013) assessed customer satisfaction determinants in the Kenyan life insurance industry. A random sampling method was used to obtain 67 policy holders of varying insurance companies in Nairobi as the sample size. Questionnaires were used for collection of data and SPSS for analysis. Results denoted that the preference of most customers were enthusiastic, careful listeners, responsive, courteous and proactive staff. Sambasivam and Ayele (2013) investigated the performance of Ethiopian insurance companies. Data gotten from the financial statements of insurance firms, financial publications of National Bank of Ethiopia were analyzed. Findings indicated that capita, size and liquidity were significant determinant profitability factors hence a positive relationship between growth, size and volume of capita. In contrast, a negative but significant relationship between liquidity ratio and leverage ratio with profitability was found.

Boadi*et al*., (2013) investigated the profitability determinants of Ghanaian insurance firms. Financial reports were the source of the data obtained from 16 insurance companies in Ghana since 2005 to 2010. Panel method and ordinary least square regression were adopted. Findings showed a positive relationship between leverage, liquidity and profitability and that tangibility was negatively related with profitability of insurance companies in Ghana. Kaya

(2015) did a study on the specific factors impacts of a firm on the profitability of Turkey's non-life insurance firms. 192 observed panel data sets for 2006–2013 periods was obtained from 24 non-life insurance companies with operations in Turkey. Technical and sales profitability ratios were the profitability measures. Empirical findings showed that company size, age, loss and current ratio and the rate of premium growth were the specific factors of the firm that affected Turkish non-life insurance firms' profitability.

Nebo and Okolo (2016) did a study on the impacts of the customer satisfaction strategies on the insurance firms' performance in Enugu Metropolis. Respondents were sampled conveniently and data collection was done using questionnaires. Hypotheses were tested using Principal Component and Multiple Linear Regression tools. Results indicated that quick claims settlement, insurance products that are quality, attending to customers' complaints promptly, communicating policy renewal notices that is timely significantly affected insurance firms' performance.

CONCEPTUAL FRAMEWORK

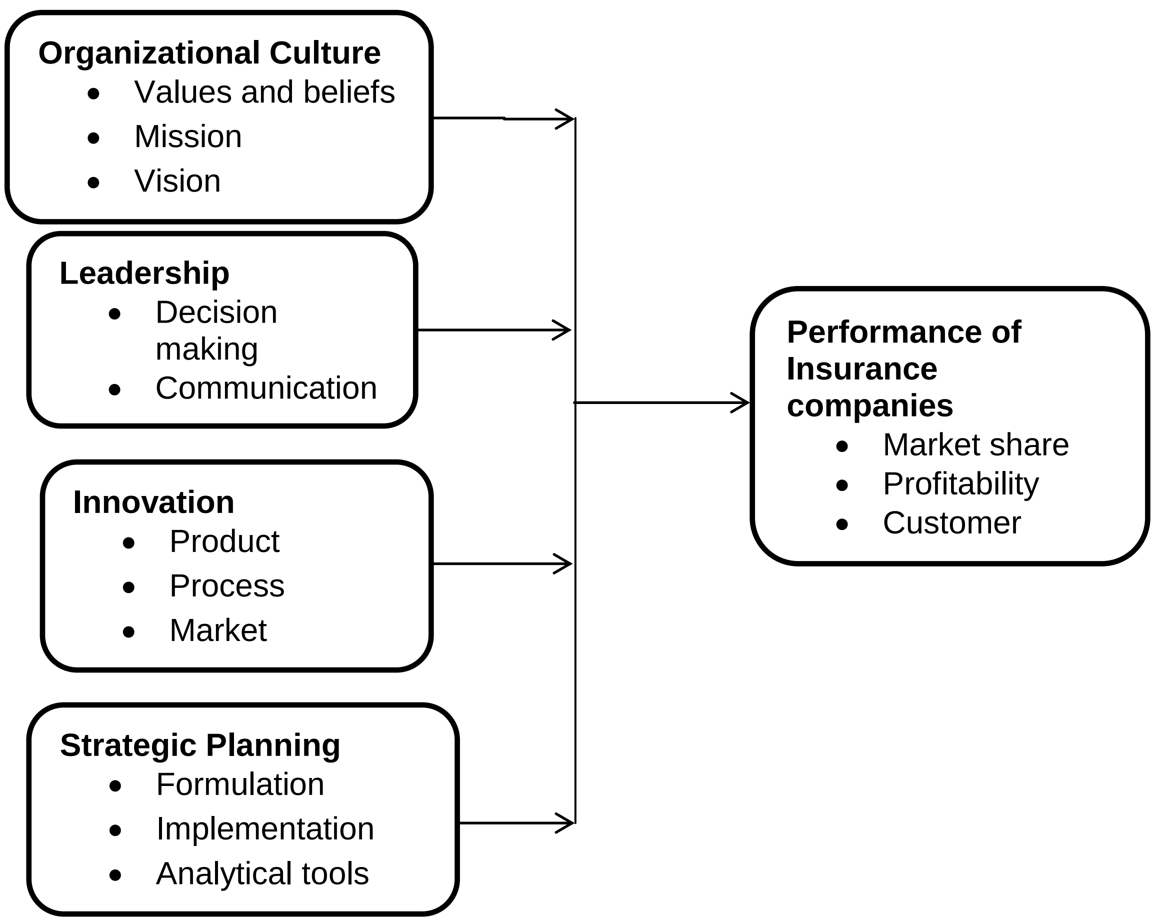

Figure 1: Conceptual Framework

The conceptual model illustrated how the independent variables of organizational culture, leadership, innovation and strategic planning were operationalized. The model then illustrated how these functions impacted on insurance companies' performance measured in terms of profitability, market share and customer satisfaction.

RESEARCH METHODOLOGY

Research Design

Descriptive survey was the research design used. The design provides an inclusive account of actions, statuses and interfaces between individuals and things as indicated by Cooper and Schindler (2006). According to Kothari (2008), there is minimal biasness during data collection when research survey design is used and therefore the results can be inferred as the true representation of the population.

Target Population

This denotes all the members of the factual or theoretical set of individuals, occurrences or items that the examiner plans to infer the outcomes of the study (Borg & Gall, 1989). This study's target population constituted all the 49 insurance firms in Kenya that are duly registered, licensed and regulated by the IRA and classified into three key sub sectors -General business, Life business and in Composite business. The study targeted the general managers since they play a significant role in ensuring competitive advantage has been built by the companies.

Sample Size

A census study was conducted and thus all the insurance companies were involved in the study. Sample size was 49 respondents. General managers of all the insurance companies were sampled purposively.

Data Sources and Collection

Primary data was sourced through a survey through the use of questionnaires which was self-designed based on the objectives of the study. The questions had a likert scale whereby views on the indicators were given by the respondents on a scale of 1-5. Questionnaires are crucial because they are portable. Further, questionnaires' findings are easily and rapidly computable by the researcher and scientific and objective investigation can be done compared to other forms of research (Mugenda & Mugenda, 2008).

Pilot Test

A pilot test was done to assess for constancy and any faults in designing and in the development of the questionnaire before rolling out the main study. The pilot study helped in the identification of crucial information within the data sets. Questions attracting bias and unclear were corrected. The research instruments was pilot tested using a sample size of five (5) respondents who were randomly selected from the insurance companies as indicated by Mugenda and Mugenda (2008) who denoted that 1% to 10% of the actual sample size is successful for a pilot test.

Validity of Research Instrument

Validity infers to the correctness and significance of extrapolations based on the results of a research (Kothari, 2008). This study used face, content and constructs validity. Face validity deals with the subjective assessment of the research measuring instrument. This research depended on instruments that have been developed in other studies related to the current study and the concepts which were derived from suitable literature. Content validity is a measurement of the extent to which the instrument gives satisfactory coverage of the questions which guides the study. Construct validity investigates whether the individual scale items correctly operationalizes the study variables (Cooper & Schindler, 2006).

Reliability of Research Instruments

Reliability refers to the statistical measure of the reproducibility of the data studied. Reliability of the quantitative data was established by the examination of the interior consistency of the study questions. Calculation of a Cronbach's coefficient alpha statistic measured the internal consistency. A Cronbach's coefficient alpha of 0.896 (89.6%) was gotten which indicated that the questionnaire was reliable.

Data Analysis and Presentation

Data analysis was conducted using SPSS software version 22. Descriptive (means, percentages, standard deviations and frequencies) and inferential statistics (linear regression) were conducted. A linear regression model was utilized to indicate the relationship between the study variables. The general model was as below

$Y= \beta_o + \beta_1X_1+ \beta_2X_2+ \beta_3X_3+ \beta_4X_4+ \varepsilon_o$

Where:

Y = Organizational Performance

β_0 = Constant

β_1 = Coefficients

X_1 = Organization culture

X_2 = Leadership

X_3 = Technological Innovation

X_4 = Strategic Planning

ε_o= Error term

EMPIRICAL FINDINGS

Descriptive Statistics

Organization Culture

In this section, the study outlined the respondents' views on organization culture in light of insurance companies' performance. The pertinent findings are as shown in table 1

Table 1: Descriptive Statistics for Organization Culture

Organization Culture Indicators	N	Min	Max	Mean	Std. Deviation
There are common values in our insurance company	43	1.00	5.00	3.58	1.03
Core values of the insurance company are well adhered to by management and all staff	43	2.00	5.00	3.84	0.84
The management of the company is committed to the company's vision	43	2.00	5.00	4.26	0.90
The mission of the insurance company has been communicated to the employees clearly	43	2.00	5.00	4.35	0.95
Valid N (listwise)	43			4.01	

As outlined in Table 1, it was agreed (4.35) that the mission of the insurance company has been communicated to the employees clearly and that management of the company is committed to the company's vision (4.26)

Leadership

In this section the study illustrates the findings in respect to leadership as outlined by insurance companies. Table 2 shows the descriptive statistics for leadership that are employed in performance of insurance companies

Table 2: Descriptive Statistics for Leadership

Leadership Indicators	N	Min	Max	Mean	Std. Deviation
There is centralized decision making in all matters concerning this company	43	3.00	5.00	4.33	0.75
All the decisions made by the management affecting the staff are communicated timely	43	2.00	5.00	3.98	0.91
There is effective communication within the management then to all subordinates	43	2.00	5.00	3.95	0.92
There is flexibility in the management in response to the changing external environment	43	2.00	5.00	3.84	1.02
Valid N (listwise)	43			4.03	

Findings in Table 2 indicate that respondents agreed (mean=4.33) that there is centralized decision making in all matters concerning this company and that all the decisions made by the management affecting the staff are communicated timely(mean=3.98).

Innovation

The section below is an illustration of the findings in respect to innovation as outlined by the insurance companies. Table 3 shows the descriptive statistics for innovation that are employed in performance by insurance companies

Table 3: Descriptive Statistics for Innovation

Innovation Indicators	N	Min	Max	Mean	Std. Deviation
Innovative products have the ability of attract diverse consumers with varied needs	43	3.00	5.00	4.33	0.71
Innovative insurance products have high success chances regardless of the insurance firm that launches the product	43	2.00	5.00	4.23	0.84
The setting up of branches in different regions ensures that the reach of insurance is wide	43	3.00	5.00	4.21	0.74

Development of multiple distribution channels for insurance is considered a smart way of doing business	43	3.00	5.00	4.12	0.70
Process innovation achieves business process re-engineering	43	2.00	5.00	4.16	0.99
Process innovation has the ability to cut down on operational costs	43	2.00	5.00	3.95	0.97
Valid N (listwise)	43			4.17	

Findings indicate that they agreed (mean = 4.33) that the innovative products have the ability of attract diverse consumers with varied needs. Further, they agreed (mean = 4.23) that the innovative insurance products have high success chances regardless of the insurance firm that launches the product.

Strategic Planning

In this section the study illustrates the findings in respect to strategic planning as outlined by insurance companies. Table 4 shows the descriptive statistics for strategic planning that are employed in performance by insurance companies

Table 4: Descriptive Statistics for Strategic Planning

Strategic Planning Indicators	N	Min	Max	Mean	Std. Deviation
During formulation of strategic plans in the company, views of all staff are considered	43	3.00	5.00	4.49	0.70
Implementation of strategic plans is done as per the set timelines	43	3.00	5.00	4.33	0.78
Strategic analytical tools are used in the company to ensure that strategic plans put in place are achieved	43	3.00	5.00	4.30	0.74
Valid N (listwise)	43			4.37	

Findings indicate that they strongly agreed (mean = 4.49) that during formulation of strategic plans in the company, views of all staff are considered. Moreover, they agreed (mean = 4.33) that the implementation of strategic plans is done as per the set timelines.

Organization Performance

Organization performance indicators were given and respondents' agreement level was sought. Table 5 shows the descriptive statistics for organization performance as employed in the insurance companies.

Table 5: Descriptive Statistics for Organization Performance

Organization Performance Indicators	N	Min	Max	Mean	Std. Deviation
Market share	43	3.00	5.00	4.21	0.68
Sales and profitability	43	3.00	5.00	4.37	0.72
Customer satisfaction	43	3.00	5.00	4.44	0.73
Valid N (listwise)	43			4.34	

Findings indicate that they agreed (mean = 4.44) that the customer satisfaction and sales and profitability (mean = 4.37) affects the organization performance of insurance companies.

Inferential Statistics

A linear regression analysis was conducted so as to test relationship among the variables.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.875(a)	.765	.749	.22432

Predictors: (Constant), Organization Culture, Leadership, Technological Innovation and strategic planning

According to the direct relationship model applied in this study, Adjusted R Square was 0.749 implying that the independent variables studied explain 74.9% of the changes in organization performance among insurance companies in Kenya. This implies that 25.1% of the variability in organization performance is a contribution of other variables not examined in this study.

As shown in Table 7, the ANOVA results which assessed the overall significance of the regression model indicated that it was significant. At 5% level of significance, F calculated was 48.832 and the p value was $0.000 < 0.05$ confirming the significance of the overall model.

Table 7: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.372	3	2.457	48.832	.000
	Residual	2.264	45	.050		
	Total	9.636	48			

a. Predictors: (Constant), Organization Culture, Leadership, Innovation and strategic planning

b. Dependent Variable: Organization Performance

Regression coefficients are shown in Table 8 below.

Table 8: Table of Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	5.359	1.172		4.571	.000
	Organization Culture	-0.377	0.128	-0.464	-2.946	0.005
	Leadership	-0.074	0.131	-0.085	-0.563	0.577
	Innovation	0.030	0.169	0.026	0.180	0.858
	Strategic Planning	0.152	0.144	0.161	1.056	0.298

Dependent Variable: Organization Performance

The model showed a statistically significant negative relationship between organization culture (β= -0.377, t= -2.946, $p<0.05$) and organization performance, a statistically insignificant negative relationship between leadership (β= -0.074, t= -0.563, $p>0.05$) and organization performance. Additionally, a insignificant positive relationship between innovation (β= 0.030, t= 0.180, $p>0.05$) and organization performance was found and an insignificant positive relationship between strategic planning (β= 0.152, t= 1.056, $p>0.05$) and organization performance.

Summary of Findings

From the indicators enlisted on the organization culture, the mission of the insurance companies has been communicated to the employees clearly (mean=4.35). Results further indicated that that management of the companies is committed to the company's vision (4.26). Moreover, there is centralized decision making in all matters concerning the insurance companies (mean = 4.33). It was also established that the innovative products have the ability of attract diverse consumers with varied needs had a mean of 4.33. Results further indicated that during formulation of strategic plans in the company, views of all staff are considered had a mean of 4.49. Additionally, respondents agreed (mean = 4.44) that the customer satisfaction and sales and profitability (mean = 4.37) affects the organization performance of insurance companies.

CONCLUSION

Organization culture is a key strategic drift indicator that affects performance of insurance companies as it was found to significantly affect organization performance. As indicated by the regression equation Organization Performance = Y = 5.359 - 0.377(Organization Culture) - 0.074(Leadership) + 0.030(Innovation) + 0.152 (Strategic Planning). The equation shows that 5.359 ratio of performance of insurance companies is autonomous of the four strategic drift variables taken into consideration in this study (Organization Culture, Leadership, Innovation and strategic Planning).This study suffered from limitations that are inbuilt from relying on data collection method since data collection was done using questionnaires. The study was limited by the work experience of the respondents which was based on their understanding on the dimension and concepts under study.

RECOMMENDATIONS

The study recommends that the insurance companies should ensure that the mission of the insurance company has been communicated to the employees clearly. Insurance companies' leadership should ensure that there is centralized decision making in all matters concerning the company which will help in enabling achievement of the set targets. Since innovative products have the ability of attract diverse consumers with varied needs and high success chances regardless of the insurance firm that launches the product, insurance companies should encourage innovation of new products. There is need for consideration of all the views of all staff during formulation of strategic plans in the company.

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