

THE INFLUENCE OF FIRM'S CULTURE ON ORGANIZATIONAL PERFORMANCE AMONG INSURANCE COMPANIES IN KENYA

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Abstract: Kenyan insurance companies constantly face many challenges arising from their operational environment. Some of the challenges faced include policy mispricing, inadequate human resource capacities, and fluctuating interest rates often resulting in reduced performance or collapse of some insurance firms. Recent global shocks and market uncertainties have further intensified these pressures, highlighting the need for resilience. Firms that have remained competitive have demonstrated cultures of adaptability, mission involvement and consistency.

This study examined the influence of organizational culture on the performance of insurance companies in Kenya, guided by institutional theory and a positivist philosophy. Employing descriptive and correlational designs, the study targeted 453 management staff across 55 registered insurance firms with a stratified sample of 208 participants. Primary data were collected through semi-structured questionnaires, while secondary performance data were obtained via a data collection sheet. Analysis using descriptive and inferential statistics revealed a strong positive correlation between organizational culture and performance ($r = 0.840$; $p = 0.000$).

Keywords: Adaptability; Consistency; Firm's culture; Mission involvement; Organization; Organizational performance.

1. INTRODUCTION

Firms cannot succeed on their own but do co-exist with other organisations in a given socio-cultural environment. According to Govender (2018), culture is made up of values and norms that are shared among those found in a particular social system or society. Firms often have their own culture that set them apart from other organisations. Culture as explained in sociology and anthropology is a concept that helps to explain the nature and existence of a social order. Mohammed and Ngeno (2019) definition of culture is that it is a collective programming of minds that separates the people found in one group from the other. Chinhanga (2018) developed a model which outlines traits of organisational culture into adaptability, mission involvement and consistency. Firm's culture according to Schein (2010) meets two roles. These roles are important as when well realised they help the firm grow and succeed. One of the role is that of external adaptation where culture helps a firm to become responsive to changes in the external environment and external factors. Another role played by culture is that of internal integration. This ensures there is internal consistency in the firm by the use of common goals and values among the workers and ensuring there is a shared identity in the firm. Internal integration helps to capitalize on the common values and goals shared by the firm stakeholders and the strong identity that everyone who is part of the firm feels (Mwangi & Murigu, 2015).

Global economic disruptions continue to challenge vulnerable firms, compounded by intensifying competition and rapid technological advancement (Spreitzer & Porath, 2012). Shifts in consumer behavior, digital transformation and sustainability pressures have disrupted traditional business processes. Organizations that remain rigid struggle to adapt, adversely affecting their performance (Zavoleas & Taylor, 2021). Although some external shocks have stabilized, volatility remains a permanent feature of the business environment. According to global institutions, such disruptions are unlikely to disappear entirely and may become a fact of organizational life (Jebril, 2020). These challenges call for relevant leadership skills to navigate turbulence effectively. Given that not all leadership approaches are equally effective in building high-performance cultures (Mohammed & Ngeno, 2019), firms must continuously develop adaptive cultures that accommodate remote work, digital integration, and flexible structures, practices that are increasingly becoming the new normal.

Organisational performance indicates the ability of a firm to transform the available resources both internal and external in an efficient and effective manner to achieve its set goals (Gunday, Ulusoy, Kilic and Alpkan, 2011). Jyoti and Rani (2017) defines performance as the record of outcomes produced on a specified job function or activity during a specified period. Therefore, performance is measured in terms of output and outcome, profit, internal processes and procedures, organizational structures, employee attitudes, and organizational responsiveness to the environment among others (Katou, 2017). Organizational performance comprises the actual output or results of an organization as measured against its intended goals and objectives. According to Gupta and Wales (2017), organizational performance encompasses three specific areas of firm outcomes: financial performance as realised through profits, return on assets and return on investment; product market performance through sales and market share as well as shareholder return through total shareholder return and economic value added. In this study, performance was measured through sales volume, return on assets and return on equity.

1.1 Literature Review

This section outlines the reviewed literature, relevant to the study variables. The study was anchored on institutional theory developed by Meyer and Rowan (1977) and DiMaggio and Powell's (1983). According to Meyer and Rowan (1977), in the modern world, firms are institutionalized in contexts made up of different norms, policies and professions. Therefore, most of these firms ensure that the services, policies, techniques, programs and products they offer and use are according to the institutional context so as to have legitimacy, stability and resources and also to enhance their chances of surviving in the market. However, firms often fail to ensure that the structures they put up are efficient when it comes to performing tasks.

According to DiMaggio and Powell's (1983), institutional processes are used to ensure that the firm's practices and processes are similar to those used in other firms. DiMaggio and Powell's (1983) outlined three isomorphic processes. Coercive isomorphism, which comes about from external and internal pressures arising from the cultural expectations of the environment, the government or from other firms. The other isomorphic process is mimetic isomorphism. This comes as a result of uncertainties that an organisation faces because of new technologies and marketing trends that leads the firm to adopt new practices and structures that are similar to what other organisations are doing. Normative isomorphism comes about due to the creation of new standards and cognitive frameworks that are put up by regulation bodies and other professionals in the industry. Such processes result to organisations having similar policies, structures, and practices in the long run.

Therefore, as explained by the institutional theory, firms go through pressures that they might not be in control of. These pressures might be from the industry, regulation bodies, government or even those from the firm itself (Fuenfschilling & Truffer, 2014). According to Campbell (2007) institutional theory is necessary as it explains how firms behave in a socially responsible manner and how these behaviours come about. Notably, there are different views of firm institutionalization (Vayanos & Woolley, 2013). According to the association that exists between organisations and the interest groups, it is true that that the characteristics of the environment in which the firm exists affect the actions and goals of the firm. Based on the postulates of this theory it is deduced that the rules, norms, and routines in a firm becomes the culture of the institution with time. The Institutional theory in this study aims to support the association between firm's culture and performance.

Previous scholars have also delved on the relationship between organizational culture and firm performance. For instance, Chinhanga (2018) examined the relationship between organizational culture and firm performance, especially in a business environment that was turbulent, unstable and ever-changing. The study found out that only the firms who had flexible cultures were able to keep adapting in line with the dynamics happening globally by embracing an innovative organisational

culture. The researcher also noted that firms needed to have a paradigm change from the conventional way of doing things since they were now competing with organisations in the developed world. To beat this competition, firms should always produce quality products as this would also help them increase their market share and improve their performance. For this reason, firm's culture becomes one of the sources of superior performance. Therefore, it is expected that a favourable association between firm's culture and performance will be observed.

Persson and Mikaela (2013) sought to establish how organizational culture and profession impacts on the auditor's managerial discretion. The population for the study comprised of 3956 registered Swedish auditors who are members of Föreningen Auktoriserade Revisorer (FAR). Raw data collection happened with the help of a web-based questionnaire and analysed using Pearson's correlations, regression analysis and t-tests. The study found a negative relationship between business culture and the level of discretion and there was no observed association between the firm's culture and auditor's managerial discretion. However, the study found a positive relationship between workers and the interaction with the profession. While this research indicates a direct negative relationship between the organizational culture and the independence of the auditor, the study does not show the influence of the organizational culture on the results of audit firms. The analysis also fails to explain the moderating impact of the organizational culture on the performance of the firm.

Olanipekun, Aje and Abiola-Falemu (2013) evaluated the effect of firm culture on the performance of Nigerian based quantity surveying organisations using a survey design approach. The sample included 90 quantity surveyors from 40 quantity surveying firms in Nigeria. The sample was randomly chosen and the raw data was collected using a questionnaire. Data analysis was done using descriptive statistics, spearman rank correlation and stepwise regression analysis. The study revealed a positive correlation between the types of organisational culture and performance. In addition, firm culture also affected the output of quantity survey firms. This study was conducted in Nigeria among quantitative survey firms that are substantially different from the insurance industry in Kenya.

Oduol (2015) researched the effect of the company's culture on the success of Kenyan commercial banks. The descriptive survey had a population of 10 subsidiaries of chosen commercial banks from the region whose headquarters were in Kenya. The raw data was gathered using semi-structured questionnaires, while analysis was conducted using descriptive statistics to assess that the organizational culture improves the company's efficiency. However, the study focused on the banking sector involving multinational companies which may differ significantly from insurance companies in Kenya. Finally, the study focused only on the relationship between workers and between employees and their seniors, both of which are internal relationships. As a result, the analysis neglected ties with external stakeholders.

Ahmadi et al. (2022) emphasize that firm capabilities only lead to superior outcomes when supported by strong cultural values and norms, highlighting the interdependence of intangible resources and organizational success. Naranjo-Valencia, Jiménez-Jiménez and Sanz-Valle (2022) studied the role of firm culture, as an innovation stimulating or restraining factor which impacts on the firm performance. The sample used for this research was that of industrial firms. The findings showed that culture can encourage creativity as well as organization success, or it may even be an obstacle to all of them, based on the ideals the culture supports. Specifically, an adhocracy culture is the strongest indicator of creativity and success. Accordingly, the study concluded that creativity acted as a mediating factor in the association between some firm cultures and efficiency. This research explored the mediating role of innovation and the current study seeks to explore the moderating position of firm culture.

Rajapathirana and Hui (2018) conducted a study to examine innovation's mediating role in the association between firm culture and company performance. Data for the analysis were gathered through a survey from 154 branches of ten influential banks in Turkey and responses were analysed to determine the relationships between corporate culture, company efficiency and organizational creativity. The findings showed that while organizational culture and creativity have a strong and beneficial effect on the dimensions of business performance in the banking sector, in the presence of organizational innovations, organizational culture was found to have an insignificant coefficient of regression on the dimensions of company production. While this study gives important data for the current literature by empirically analysing the association between firm culture, innovations and company results, since the current study seeks to ascertain the moderating role of company culture in the relationship between institutional competency mapping and performance, the study cannot be generalized to the current study.

The developed conceptual framework was outlined as follows:

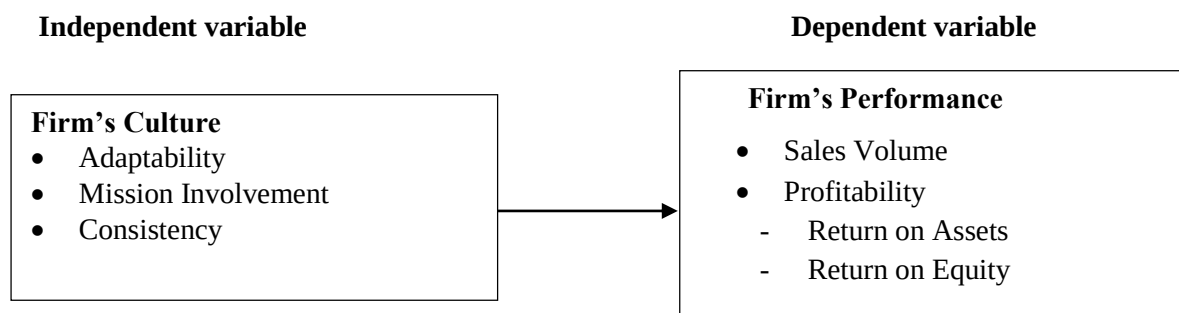


Figure 1.2: Conceptual Framework

Source: Author (2021)

1.2 Summary of Research Gap

Despite growing evidence on firm culture's role in organizational success, research on how Kenyan insurance firms integrate cultural frameworks for sustained performance remains limited. This study bridges the gap by examining firm culture as a moderating factor in organizational performance within the Kenyan insurance sector.

2. MATERIALS AND METHODS

The study adopted a positivism research philosophy which is anchored on establishing relationships between variables objectively via testing of facts (Saunders, 2011). The study relied on descriptive and correlational research designs. The target population for the study was 453 comprised of the management staff of all the 55 registered insurance companies in Kenya and a sample size of 208 participants drawn from lower, middle and top-level management using stratified sampling and simple random sampling techniques. Primary data collected using questionnaires was utilised in the study. Pilot testing was done to ensure that the research tool was valid and reliable and also to improve its face validity (Smith, 2015). Data analysis was conducted using descriptive statistics and inferential statistics. This analysis was conducted using Statistical Package for the Social Sciences (SPSS) software. Descriptive statistics mainly; frequencies, the mean, and standard deviation were computed for each of the study variables in order to allow the researcher come up meaningful scores that used few indices (Taylor, Bogdan & DeVault, 2015). Inferential data analysis was conducted using Pearson correlation coefficient and regression analysis (multiple regression analysis). The coefficient of determination (R^2) was used to determine if the model was significant and the extent to which each of the independent variables explained the changes in the dependent variable.

3. RESULTS AND DISCUSSIONS

This section presents the descriptive and inferential results of the study based on the study variables.

3.1 Descriptive Statistics Results

The descriptive statistics on firm's culture and performance of insurance companies Kenya is presented. The descriptive results present a summary of the variable characteristics as indicated by the respondents based on mean score and standard deviation. The participants were required to respond to a number of statements based on the extent to which each of the statements applied to their firm in a Likert scale of 1-5 where 5 represented very high extent, 4 represented high extent, 3 represented moderate extent, 2 represented low extent and 1 represented no extent.

3.1.1 Firm's Culture Among Insurance Companies

The study operationalized firm's culture through adaptability, mission involvement and consistency as per Denison's (1990) recommendations. First, the participants were requested to express their opinion as to whether the company had an established organizational culture. The results were as shown in Table 1.

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Table 1: Whether the Company had an Established Organizational Culture

	Frequency	Percent
Yes	118	77.1%
No	35	22.9%
Total	153	100.0%

As observed from Table 1, majority of the respondents 77.1% (118) indicates that they were confident that there existed an observable well established firm's culture in their company. On the other hand, 22.9% (35) indicates that their company did not have a well-established organisation culture. These results concurred with the observations made by Schein (2010) who showed that majority organisations develop institutional cultures which enable them to be adaptive to changes in the external environments while at the same time developing and maintaining internal consistency. The results reported postulate that many insurance companies had an established vision and shared values that generated consolidated identification with the organization. For instance, it was noted that the management of insurance companies in Kenya emphasised a lot on adherence to the company's mission of meeting the demand of their customers. The results further implied that there were observable trends and norms within the insurance companies in Kenya which provided guidelines to ensure that there is consistency and streamlined operations in the organisations.

The participants were further required to indicate the extent to which they were in agreement with the various aspects of firm's culture that the insurance company undertook. The descriptive results on the variable were as shown in Table 2.

Table 2: Descriptive Statistics for Firm's Culture

	n	Min	Max	Mean	Std. Dev.
The procedures of this company are aimed at meeting the company's mission	153	1	5	3.92	.956
This company always endeavour to meet market demands.	153	1	5	3.65	1.205
The products of this company are aimed at meeting the company's mission	153	1	5	3.65	1.109
Our company has set guidelines to ensure there is consistency in our results	153	1	5	3.63	1.152
The management of our company is adaptable to the new developments in the industry and economy.	153	1	5	3.63	1.123
Our company supports our staff in generating new methods	153	1	5	3.59	1.091
Our procedures are entirely directed by our goals and mission.	153	1	5	3.58	1.250
This company prides in consistently motivating our staff to scale to greater heights	153	1	5	3.51	1.187
We regularly review our products to ensure we meet customer demands	153	1	5	3.50	1.193
We encourage consistency in our operations and processes	153	1	5	3.37	1.352
Our staff feel free to engage with the top management in developing organisation policy	153	1	5	3.32	1.346
We always encourage an all-inclusive approach to management	153	1	5	3.32	1.341
Our company involves the staff in decision making processes	153	1	5	3.31	1.364
This company often hold consultative meetings with the employees	153	1	5	3.24	1.404
Aggregate Score				3.516	1.220

The findings in Table 2 revealed that most insurance companies in Kenya set procedures aimed at meeting the company's mission, always endeavour to meet market demands, make products aimed at meeting the company's mission, have guidelines to ensure there is consistency in their results and their management is adaptable to the new developments in the industry and economy to a great extent as shown by mean scores of 3.92, 3.65, 3.65, 3.63 and 3.63 respectively. However, there were disagreements among respondents on these attributes as shown by high standard deviations of 0.956, 1.205,

1.109, 1.152 and 1.123 respectively. At the same time the descriptive results shows that most insurance companies supports their staff in generating new business models, their procedures are entirely directed by their goals and mission, prides in consistently motivating their staff to scale to greater heights and regularly review their products to ensure that they meet customer demands to a great extent as shown by mean scores of 3.59, 3.58, 3.51 and 3.50 respectively with standard deviations of 1.091, 1.250, 1.187 and 1.193 respectively.

In addition, the outcomes revealed that majority of insurance companies in Kenya encouraged consistency in their operations and processes, encouraged their staff to freely engage with the top management in developing organisation policy, encouraged an all-inclusive approach to management, involved the staff in decision making processes and often held consultative meetings with their employees but only to a moderate extent as shown by mean scores of 3.37, 3.32, 3.32, 3.31 and 3.24 respectively with standard deviations of 1.352, 1.346, 1.341, 1.364 and 1.404 respectively. From the results, it was clear that the most adopted element of firm's culture was to set procedures aimed at meeting the company's mission. Collectively, firm's culture had an aggregate score of 3.516 and a standard deviation of 1.220. These outcomes indicates that most insurance companies believed that firm's culture was relevant in influencing organisational performance to a great extent as indicated by the aggregate mean score of 3.516. Additionally, the results shows that there was high variation in the adoption of the various attributes of culture as indicated by the high aggregate standard deviation of 1.220.

The results on this variable concurred with the existing literature. For example, Saele (2007) showed a close association between the existing and the future preferred firm's culture. Nina (2013) revealed that there is a positive and influential relationship between the firm's culture and performance, Olanipekun, Aje and Abiola-Falemu (2013) revealed a positive correlation between the firm's culture and performance. At the same time, the study by Odhiambo, Kibera and Musyoka (2015) showed that organizational culture has a positive influence on performance, industry competition has a moderate positive influence on firm's performance and finally, the effect of the firm's culture and competition in the industry on a firm's performance was found to be significant, while Oduol (2015) established that organizational culture boosts firm's performance. From the aggregate mean score of 3.516, firm's culture among the insurance companies was to a great extent relevant in influencing organisational performance.

3.1.2 Performance of Insurance Companies

Organization performance was measured through sales volume, return on assets and return on equity. To help in the analysis of the data gathered by use of a secondary data collection sheet, the data was represented in a 5-point Likert scale. The scale had 1 representing values that were lower than one billion, 2 indicated values higher than one billion but lower than two billion, 3 was a representation of values higher than two billion but lower than three billion, 4 was of values higher than three billion but lower than four billion and 5 indicated values higher than four billion. The profitability ratios were indicated as follows. 1 was for a ratio lower than 0%, 2 for a ratio higher than 0% but lower than 10%, 3 was for a ratio higher than 10% but lower than 20%, 4 was for a ratio higher than 20% but lower than 30% and 5 was for a ratio higher than 30%. The outcomes of descriptive analysis are as provided in Table 3.

Table 3: Descriptive Statistics for Performance

	n	Minimum	Maximum	Mean	Std. Deviation
Sales Volume	153	1	5	3.3497	.89928
ROE	153	1	5	3.3399	.93396
ROA	153	1	5	3.3098	.91499
Aggregate Score	153			3.333	0.916

The outcomes from Table 3 indicates that most insurance companies had sales volumes ranging between two billion shillings and three billion shillings as shown by a mean score of 3.3497. However, there was a high standard deviation of 0.89928 indicating that although some of the large insurance companies had good performance and were able to generate over four billion shillings in revenues, other insurance companies had poor performance generating less than one billion shillings in revenue. These results were consistent with Mwangi and Murigu (2015) conclusions that poor performance among insurance companies had driven them insolvent.

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Regarding profitability, return on equity ranked higher with a mean score of 3.3399 implying that most insurance companies were able to generate returns on equity ranging between 10% and 20%. This means that for every shilling of equity capital contributed by shareholders towards the organisation through purchase of equity shares, they were able to generate between 10% and 20% in returns. Regarding return on assets, the study established that the mean score was 3.3098 suggesting that most insurance companies were able to generate returns greater than 10% but less than 20%. This implied that in most insurance companies the management were able to generate a return of less than 20% of all the funds invested in assets. This indicates a low level of efficiency among the management to utilize the resources at their disposal to generate returns. The high standard deviation of 0.93396 for return on equity and 0.91499 for return on assets further suggested that there was high deviation in the efficiency of the management in utilising equity funds and assets.

The total performance mean score was 3.333 which shows that the Kenyan insurance firms posted moderate outcomes during the study period. The findings also indicate high variability in the findings as provided by the standard deviations. ROE had the highest variation with a standard deviation of 0.93396 followed by ROA with a standard deviation of 0.91499 and finally sales volume with a standard deviation of 0.89928.

The findings from this variable were in agreement with the results of IRA, 2016 that the Kenyan insurance industry had gone through hard economic times and performed averagely and a few insurance firms had also closed shop and exited the market. Similarly, Ngugi (2007), Ndura (2010), Alipour (2012), Ntinyari (2014) and Mwangi and Murigu (2015) were of the opinion that the variations in interest rates, natural disasters, poor pricing of policies, inadequate competent employees, fraudulent claims by customers, changes in regulatory and legal framework and lack of competencies among employees had resulted to poor performance and the collapse of Kenyan insurance firms. These results indicate that although some insurance firms' performance was commendable, others posted extremely poor results.

3.2 Correlation Analysis

Correlation analysis was done to determine the relationship between firm's culture and performance of insurance companies in Kenya. Karl Pearson's Correlation Coefficient was used. The result on the strength or weakness of the coefficient was based on Dancey and Reidy (2004) recommendation. A coefficient of 1 indicated there is perfect correlation, 0.7-0.9, a strong correlation, 0.4-0.6, moderate correlation, 0.1-0.3 weak correlation and a coefficient result of 0, indicated that there is no correlation. The results of the correlation analysis were as presented in Table 4.

Table 4: Correlation Analysis Results

		Organisation Performance
Firm Culture	Pearson Correlation	.840**
	Sig. (2-tailed)	.000
	N	153

**. Significant correlation at the 0.01 level (2-tailed).

*. Significant correlation at the 0.05 level (2-tailed).

The results showed a strong positive correlation between organisation performance and firm's culture as shown by a coefficient of 0.840 which was significant at 0.05 significance level. The results posted in the study were consistent with conclusions reached by Olanipekun, Aje and Abiola-Falemu (2013) who revealed a positive correlation between the types of organisational culture and performance. Similar results were revealed by Oduol (2015) who concluded that organizational culture improves the company's performance in terms of efficiency. However, Rajapathirana and Hui (2018) noted that organizational culture has an insignificant effect on company's productivity.

3.3 Test of Hypothesis

Regression analysis was conducted at 95% confidence level ($\alpha = 0.05$) to establish the nature of the relationship existing between organisational performance and firm's culture. Simple linear regression analysis was done to the null hypothesis that firm's culture has no significant influence on performance of insurance companies in Kenyan firms against the alternative hypothesis that firm's culture has a significant influence on performance of insurance companies in Kenyan firms. The significance of the regression model was explained by use of adjusted R^2 values. The P-values at 5% significance

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level helped the researcher decide whether firm's culture had a significant influence on performance of insurance companies. A P-value lower than 0.05 indicated a significant influence and therefore the null hypothesis was rejected.

In testing hypothesis, organizational performance was regressed on firm's culture. The results for the model summary were as shown in Table 5.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.843 ^a	.711	.709	.47214

a. Predictors: Firm Culture

From the outcome in Table 5 it is evident that the coefficient of determination (adjusted R square (R^2) was 0.709 showing that firm's culture was capable of predicting 70.9 percent of all the variations in organizational performance. Therefore, it is construed that 29.1% of all the variations in performance of insurance companies in Kenya were explained by other factors other than firm's culture.

To deduce if the model was fit as constituted to predict organizational performance among insurance companies in Kenya, the study conducted ANOVA and the findings were as indicated in Table 6.

Table 6: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	82.879	1	82.879	371.798	.000 ^b
	Residual	33.66	151	0.223		
	Total	116.539	152			

a. Dependent Variable: Organisation Performance

b. Predictors: (Constant), Firm Culture

The results in Table 6 indicated that the F-test statistic for the model was 371.798 which was higher than the F-critical (1,151 df, 0.05 alpha = 3.9038) and therefore on the basis of the F-test statistic, the study found the model was significant in predicting performance of insurance companies in Kenyan based firms. Similarly, the value of P for the F-test statistic was 0.000 and was lower compared to 0.05 significance level. The conclusion made from these results was that the model was fit to predict performance of Kenyan based insurance firms.

To determine the significance of firm's culture, the study conducted a t-test for firm's culture and the constant. The findings were as indicated in Table 7.

Table 7: Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	2.475	1.162		2.130	.035
	Firm Culture	.127	.027	.123	4.704	.000

a. Dependent Variable: Organisation Performance

The findings in Table 7 showed that the unstandardized coefficient for the constant was 2.475 implying that when all other factors were held constant at zero (0), performance of the insurance companies in Kenya would be equal to 2.475. This coefficient was significant at 0.05. The standardized coefficient for firm's culture was 0.127 meaning that holding all other factors constant, a unit increase in firm's culture, would result in a 0.127 unit increase in performance of insurance companies in Kenya. The P-value for firm's culture was found to be 0.000 which was lower compared to the 0.05 significance level. From these results, the study rejected the null hypothesis and concluded that firm's culture had a significant influence on the performance of insurance companies in Kenya.

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The results shown in the study were consistent with the results of Nina (2013) who pointed out that a positive and influential relationship exist between organizational culture and the overall performance of a company. In addition, Olanipekun, Aje and Abiola-Falemu (2013) revealed that there is a favourable correlation between the types of firm's culture and performance. Further, Oduol (2015) established that organizational culture boosts firm's performance. However, Persson and Mikaela (2013) found an unfavourable relationship between business culture and the level of discretion implying that business culture has no effect on firm's performance.

4. CONCLUSION

The study concluded that firm's culture was greatly emphasised by insurance companies in Kenya. Firm's culture had a significant positive relationship with organisational performance. Firm's culture was demonstrated through high levels of adaptability to the varying levels of business growth, involvement of all management and employees in their mission development and implementation as well as demonstration of consistency in their service delivery which enabled the insurance companies post superior results. The study thus concluded that firm's culture had a significant influence on performance of insurance companies in Kenya.

5. RECOMMENDATIONS

The study recommends that the management of insurance companies in Kenya should cultivate a culture that guarantees adaptability for employees, management policies and processes. Similarly, there should be involvement of all stakeholders in the development and implementation of the mission to ensure that there is goal congruence. The firm's culture should further ensure that there is consistency in management of affairs in the insurance companies to achieve consistent results.

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