INNOVATION STRATEGY AND ORGANIZATION PERFOMANCE: A CASE OF COOPERATIVE INSURANCE COMPANY IN KENYA.

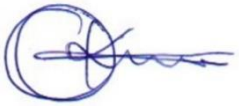
Catherine Nkatha Kinoti

An Applied Research Project Submitted to Partial Fulfilment of the Requirement for The Award of Master of Business Administration Degree in The Business Administration Degree in The Business School of Africa Nazarene University

June, 2024

DECLARATION

I declare that this applied research project is my original work and that it has not been presented in any other University for academic credit



18/05/2023

Signature: ---------- Date: ----------

Name of student: Catherine Nkatha Kinoti Student no: 14M03EMBA073

Supervisor's Declaration

This applied research project is submitted for examination with my approval as the University Supervisor

Name of supervisor: Dr. Kimani Gichuhi (Ph.D.)



Signature: Date… 24-06- 2024……

Name of supervisor: Dr. Irene Kibati (Ph.D.)



Signature: …… …… Date:…24-06-2024……..

AFRICA NAZARENE UNIVERSITY,

NAIROBI, KENYA

EXAMINERS' SIGNATURES

We have examined this document and the research has met or exceeded the requirement for the degree sought, in addition, the candidate has sufficiently defended the material presented to merit the awarding of the degree of Master of Business Administration degree in the business School of Africa Nazarene University.

DEDICATION

I dedicate this research project to my parents, siblings, my husband Derrick and sons Gabriel and Leroy, thank you for your support. May God bless you abundantly and see you through your lives.

ACKNOWLEDGEMENT

I would like to acknowledge the Almighty God for his prevenient Grace which has helped me with what I have so far. I cannot forget to appreciate my Supervisors Dr. Kimani Gichuhi (Ph.D) and Dr. Irene Kibati (Ph.D.) for their guidance during the process. In addition, I would like to acknowledge my lecturers who have imparted knowledge to me in master degree. Finally, I thank the entire Africa Nazarene University administration and community for granting this learning opportunity. God bless you All.

I also acknowledge the hard work and dedication of employees at an insurance firms is crucial for fostering a positive work environment and boosting morale. Whether through verbal recognition during team meetings, personalized notes of appreciation, or annual awards ceremonies, recognizing employees for their contributions can help motivate them and promote a culture of appreciation within the organization.

TABLE OF CONTENT

DECLARATION ..... **ii**

EXAMINERS' SIGNATURES ..... **iii**

DEDICATION ..... **iv**

ACKNOWLEDGEMENT ..... **v**

LIST OF TABLES ..... **x**

LIST OF FIGURES ..... **xii**

ABSTRACT ..... **xiii**

LIST OF ABBREVIATION ..... **xiv**

DEFINITION OF TERMS ..... **xv**

CHAPTER ONE 1

INTRODUCTION AND BACKGROUND OF THE STUDY 1

1.1 Introduction 1

1.2 Background of Study 1

1.2.1 Organization Performance 3

1.2.2 Innovation Strategies 4

1.2.3 Insurance Sector in Kenya 8

1.2.4 Overview of "Co-operative Insurance Company" Insurance Group Ltd (CIC) 10

1.3 Statement of the Problem 10

1.4 Purpose of the Research 11

1.5 Objectives of the Research 11

The study was guided by both general and specific objectives. 11

1.5.1 General Objective 11

The primary objective of the study focused on the influence of innovation strategy on organization performance; a case of Cooperative Insurance Company in Kenya. 11

1.5.2 Specific Objectives 12

1.6 Research Hypotheses 12

1.7 Significance of the Research 13

1.8 Scope of the Study 13
1.9 Delimitation of the Study 13
1.10 Limitations of the Study 14
1.11 Assumptions of the Research 14
1.12 Theoretical Framework 14
1.12.1 The Open Innovation Theory (OIT) 14
1.12.2 The Disruptive Innovation Theory (DIT) 15
1.13 Conceptual Framework 16
CHAPTER TWO 19
LITREATURE REVIEW 19
2.1 Introduction 19
2.2 Review of the Literature 19
2.2.1 Creative Organization Culture Strategy and Organization Performance 19
2.2.2 Influence of Innovative Organization structure strategy and Organization Performance 21
2.2.3 Influence of Innovative Technology capabilities Strategy and Organization Performance 23
2.2.4 Influence of Innovative Customer Relationships Strategy and Organization Performance 25
2.3 Summary and Research Gaps 27
CHAPTER THREE 28
RESEARCH DESIGN AND METHODOLOGY 28
3.1 Introduction 28
3.2 Research Design 28
3.3 Research Site 28
3.4 Target Population 29
3.5 Study Sample 29
3.5.1 Sampling Procedure 30
3.5.2 Study Sample Size 30
3.6 Data Collection 31
3.6.1 Data Collection Instruments 31

3.6.2 Pilot Testing of Research Instruments 31
3.6.3 Instrument Reliability....32
3.6.4 Instrument Validity 32
3.6.5 Data Collection Procedure....32
3.7 Data Processing and Analysis 33
3.8 Legal and Ethical Considerations 34
CHAPTER FOUR 35
DATA ANALYSIS AND PRESENTATION OF FINDINGS 35
4.1 Introduction 35
4.2 Response Rate....35
4.3 Demographic Information 35
4.4 Influence of Creative Organization Culture Strategy 38
4.4.1 Hypothesis Testing....40
4.5 Influence of Innovation Organization Structure Strategy and Organization Performance 42
4.5.1 Hypothesis Testing....44
4.6 Influence of Innovative Technology Capabilities Strategy and Organization Performance....46
4.6.1 Hypothesis Testing....48
4.7 Influence of Innovative Customer Relationship Strategy 50
4.7.1 Hypothesis Testing....52
4.8 Organization Performance....53
4.9 Joint Influence of Innovation Strategy and Organization Performance....55
4.8.1 Correlation Analysis....55
4.8.2 Regression Analysis 57
CHAPTER FIVE 59
SUMMARY, DISCUSSION, CONCLUSION, AND RECOMMENDATIONS....59
5.1 Introduction 59
5.2 Summary 59
5.3 Discussions....60

5.3.1 Creative Organization Culture Strategy 60
5.3.2 Innovative Organization Structure Strategy 60
5.3.3 Innovative Customer Relationship Strategy 61
5.3.4 Innovative Technology Capabilities Strategy 62
5.4 Conclusions 62
5.5 Recommendations 63
5.6 Areas for Further Studies 64
REFERENCES 65
APPENDICES 71
Appendix 1: Questionnaire 71
Appendix II: NACOSTI Permit 77
Appendix III: Research Approvals and Letters 78
Appendix IV: Map of Study Area 79

LIST OF TABLES

Table 3.1 Population Distribution 29

Table 3.2 Sample Size 31

Table 4.1: Response Rate Outcome.....35

Table 4.2 Demographic Information 37

Table 4.3 Influence of Creative Organization Culture Strategy and Organization Performance Descriptive Results 38

Table 4.4 Correlation Results of Influence of Creative Organization Culture Strategy and Organization Performance 40

Table 4.5: Regression Results of Influence of Creative Organization Culture Strategy and Organization Performance 41

Table 4.6: Influence of Innovation Organization Structure Strategy and Organization Performance Descriptive Results.....42

Table 4.7 Correlation Results of Influence of Innovation Organization Structure Strategy and Organization Performance 44

Table 4.8: Regression Results of Influence of Innovation Organization Structure and Organization Performance 45

Table 4.9 Influence of Innovative Technology Capabilities Strategy and Organization Performance Descriptive Results.....46

Table 4.10 Correlation Results of Influence of Innovation Technology Capabilities Strategy and Organization Performance 49

Table 4.11 Regression Results of Influence of Innovative Technology Capabilities Strategy and Organization Performance 49

Table 4.12 Influence of Innovative Customer Relationship Strategy Descriptive Results.....50

Table 4.13 Correlation Results of Influence of Customer Relationship Strategy on Organization Performance 52

Table 4.14 Regression Results of Influence of Institutional Dimension on Community Livelihood 53

Table 4.15 Organization Performance Descriptive Results 55

Table 4.16 Innovation Strategy and Organizational Performance Joint Correlation Analysis Results. 56

Table 4.17 Innovation Strategy and Organization Performance Joint Regression Analysis Results 58

LIST OF FIGURES

Figure 1.1: Conceptual Framework 17

ABSTRACT

In the insurance industry strategies for innovation goes beyond or further the technological innovation field to strategies of attracting new and maintaining clients. The competition in the industry requires comprehension of companies' selection of innovation strategies influence on various strategies for innovation on firm innovation performance. The objectives of the study was to determine relationship among creation of organization culture strategy, innovative organization structure strategy, innovative technology capabilities strategy and innovative customer relationships strategy and organization performance of insurance companies. Moreover, the target population for this study was 648 different levels of Management staff of CIC Insurance Company Ltd. Further, stratified random sampling design was used to sample 247 employees from CIC insurance group. In addition, the research utilized primary data that was gathered using a questionnaire as the research instrument. The study employed descriptive statistics. The four-hypothesis formulated for this study was tested using, regression analysis, Pearson's correlation and Analysis of Variance (ANOVA), with the aid of Statistical Package for Social Sciences (SPSS). The quantitative data was analyzed using descriptive and inferential statistics additionally, regression analysis was used to establish the nature of the relationship between dependent and independent variables and study hypotheses tested. The results shown that there exist a weak insignificant positive correlation between creative organization culture strategy and organizational performance r(207),=.048,p=.489>.05. The results suggest the relationship between the two variables. Significant and positive moderate correlation between innovation organization structure strategy and organization performance $r(207), = .232, p = .001$. Significant and positive moderate correlation between Innovation technology capabilities strategy and organization performance $r(207), = .208, p = .003$. Exist adverse (negative) correlation between customer relationship strategy and organization performance $r(207), = -.017, p = .807 > 0.05$. The results confirms that there is no correlation between innovative customer relationship strategy and organization performance. In conclusion the study noted that innovation strategy is a critical factor aimed at improving organizational performance and long-term success. The study recommended need for implementing creative organizational culture strategy which is a vital for influencing organizational performance. Secondly, need for adopting innovative organizational structure strategy being a major driver of growth and critical factor in gaining competitive advantage. Finally, implementation of innovative customer relationship. Finally, the study focused on single cooperative insurance companies.

LIST OF ABBREVIATION

AKI	Association Of Kenya Insurers
CA	Competitive Advantage
CBV	Capability Based View
CIC	Co Operative Insurance Company Ltd
CIS	Co-Operative Insurance Services Limited
CVM	Competing Values Model
IC	Innovation Culture
ICT	Information And Communication Technology
ICT	Innovation Culture Theory
IRA	Insurance Regulatory Authority
IT	Information Technology
KBV	Knowledge Based View
MBV	Market Based View
MIPs	Medical Insurance Providers
RBV	Resource Based View
RV	Relational View

DEFINITION OF TERMS

Innovation: In a study, innovation was considered to be the actual introduction of new ideas, processes, products, or services that bring about positive change or improvements within an organization of industry.

Insurance: In the study, it consisted of arrangement in which individuals or entity are expected to pay premiums to the insurance company in exchange for protection against financial losses or liabilities resulting from specified risks, such as accidents, natural disasters or unforeseen events.

Insurance Company: In the study, it consisted of financial institutions or organization that was key in providing various types of insurance policies to individuals, businesses, or other entities in exchange for premium payments.

Organizational Performance: It refers as a measure of how well an organization achieves its goals. This concept gives an indication of the well-being of a company's business portfolio growth into the future.

Strategic innovation: It refers to implementation of new ideas, processes, products or organizational culture includes shared basic pattern, assumptions that are learned so as to solve problems of internal integration and external adaptation.

Innovative organizational structure -involves set of ways by which organizational work is separate into tasks, coordinated and delegated so as to achieve organization goals.

Technological innovation - involves application knowledge-based ideas and resources to create competitive edge.

Innovative organizational culture - includes shared basic pattern, assumptions that are learned so as to solve problems of internal integration and external adaptation.

Innovative customer relationship strategies - comprises going beyond tradition customer services, to establishing relationship between customer and firm and meet customer needs.

CHAPTER ONE
INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 Introduction

The section encompassed an introduction to the study's context, an identification of the problem, the study's aim, its objectives, research inquiries, the study's importance, its boundaries, limitations, scope, assumptions, and the theoretical and conceptual frameworks.

1.2 Background of Study

Organization performance could be defined as the overall effectiveness and efficiency with which an organization achieves its stated goals and objectives within a given timeframe. It encompasses various dimensions such as financial performance, operational efficiency, customer satisfaction, employee satisfaction, innovation, market share and social responsibility. Innovation strategy is a critical factor in determining organizational performance. Alosani, Yusoff, and Al-Dhaafri (2020) emphasized that the innovation strategy plays a crucial role in enhancing productivity, improving production efficiency, boosting revenue, and increasing the overall value of the firm.Moreover, emphasis was on the fact that organization need to embrace the innovative initiatives, notably some tend to fail, and successful innovators have hard time sustaining their performance. Hence, it is crucial to establish an innovation strategy that outlines how innovation will generate value for prospective customers, how the company intends to seize that value, and which forms of innovation to actively pursue. Conversely, according to Amit and Zott (2020), the development of an innovation strategy requires organizations to consistently begin with a well-defined comprehension and expression of specific objectives aligned with the overarching goal crucial for gaining a competitive advantage.

Gao and McDonald, (2022) examined a process of developing an innovation strategy involves answering the questions of how innovation will create value for customers and the company and then explaining that to the stakeholders. Additionally, it was suggested that the creation and implementation of an innovation strategy involve four key tasks. These tasks include addressing how innovation will generate value for both customers and

the company, figuring out how the company will seize that value, choosing the types of innovation to pursue, and ultimately aligning the innovation strategy with the broader business strategy.

In a study that was done by Peter, (2023) examined the significance on innovation strategy on the performance of real estate firms in US. Moreover, it was evident that the real estate firms in the US have greatly been at the forefront in investing in innovation to stay competitive and meet the rising demand for new solutions and technologies. He also pointed out that the industry is also lagging behind other sectors in adopting technology, and talents is an issue. The commercial real estate sector is being revolutionized by cutting-edge companies and technologies, and the industry is taking a long-term approach to real estate assets. Hence, innovation poses a challenge for management teams in real estate companies who lack significant expertise in both devising and implementing plans.

According to Tahir, et al., (2018) examined a study on the impact of innovation on the performance of financial institutions in Kenya. Moreover, they clearly pointed out that the innovation included adoption of new ways such as process, product and institutional technology. However, the innovation in processes involved the introduction of novel approaches to conducting business and incorporating information technology, such as the Automated Teller Machine (ATM), mobile banking, and online banking. Conversely, product innovation encompassed the adoption of fresh financial products like securitized assets, derivatives, weather derivatives, foreign currency mortgages, hedge funds, exchange-traded funds, private equity, and retail structured products. Lastly, institutional innovation pertained to the introduction of new types of financial firms, such as discount broking firms, internet banking, and specialist credit card firms. These financial innovations enhanced the payment systems used in borrowing and lending funds, thereby creating a more efficient means of interacting with customers. Additionally, they involved advancements in technology, equity generation, and risk transfer, expanding the credit options available to borrowers and offering financial institutions a novel and cost-effective avenue for capital raising.

According to Ikpe, Ikechukwu, Okri, Okoi, and Tabi, (2021) examined a study on the role of innovation on the performance of Feminine Flour Mil Caabar in Nigeria. It was evident that innovation strategies played a significance role in enhancing firms performance. It was clear that the firm's innovation strategy was positively related to its performance. The research findings indicated that the marketability of our various segmented products and a thorough understanding of customer needs are crucial for gaining a competitive advantage. Consequently, the study suggested that management should conduct a comprehensive analysis of products and establish a product technology track to actively pursue potential market opportunities. In a study conducted by Hu, Danso, Mensah, and Addai (2020), the importance of different types of innovation influencing the performance of Star-Rated Hotels in Ghana was examined. Additionally, innovation leading to changes in processes and product development was found to enhance the sustainability of companies, enabling them to grow faster and more efficiently, ultimately resulting in higher profitability compared to non-innovators. In a dynamic environment, innovation is widely recognized as a key driver of sustainable competitive advantage. However, the success of the hospitality industry hinges on aligning innovations with the preservation of natural and cultural attractions that attract tourists/customers to their destinations. This study is thus designed to empirically investigate how various types of innovation, including process, product, marketing, and organizational innovation, impact the performance of hotel firms in Ghana.

Kanyi and Kihara (2022) conducted a study in Nairobi, Kenya, focusing on how innovation strategies impact the performance of internet service provider companies. The primary objective was to evaluate the effects of innovation strategies, including product innovation, process innovation, market innovation, and technological innovation, on the performance of these companies in Nairobi, Kenya. Despite numerous empirical studies in strategic management, a conclusive consensus on whether firms benefit more from maintaining focus or diversifying into various businesses has not been reached in research on the relationship between innovation strategies and firm performance.

1.2.1 Organization Performance

According to Szczepańska-Woszczyna (2018), organizational performance is a measure of the organization state on how the organization is excelling financially and non-financially. The measures are increased market share, profits and customer base and customer satisfaction. In addition, Mwangi (2021) noted that organization performance is that competency mapping identifies the key competencies such as innovativeness for effective performance of a particular job. Moreover, according to Nduati (2019), organization performance is suggested to denote a company's capacity to generate fresh resources through its daily activities within a specific timeframe. While corporate performance has typically been narrowly defined in financial terms, with a primary emphasis on the financial aspect, this viewpoint may not capture the full spectrum of organizational effectiveness.

1.2.2 Innovation Strategies

Innovation involves implementing improved solutions to address either emerging requirements or existing market demands (BiL & ÖzdemiR, 2021). It is achieved by developing more efficient products, processes, services, technologies, or ideas that are readily accessible to markets, governments, and society (Mugendi & Karugu, 2022). A strategy is a plan that outlines the intended course of action for an organization and serves as a guiding framework in various situations. Strategic innovation plays a crucial role in securing an organization's sustainable competitive advantage and financial performance (Kamenjarska et al., 2021). Creating a niche capable of generating sufficient revenue to outperform competitors is the essence of a strategic approach (Nduati, 2019). A successful strategy is one that genuinely establishes a competitive advantage, setting an organization apart from its rivals by providing a sustainable edge that is valuable, rare, and not easily replicable (Mugendi & Karugu, 2022).

Innovation is a major factor in success, competitive advantage that is sustainable and firm’s survival (Gathua, 2018) and entail principles of unique knowledge on doing things better than existing state of art with the organization. Innovation from a company perspective can be identified as complex process that involve the developing, transforming and applying of new sets of ideas, technologies, capabilities, knowledge, and resources with the aim of developing new ideas/behaviors with the intention of increasing the firm profits, reducing

production cost and distribution costs, hence increase the customer's willingness buying and paying services/products (Mugendi & Karugu, 2022).

Therefore, the inclusion of strategic innovations is crucial in corporate strategies for various reasons, including the enhancement of productivity, improved market performance, the cultivation of a positive reputation in the eyes of customers, and ultimately, the attainment of sustainable competitive advantage (Khraim, 2022). Innovations afford companies a strategic direction to address challenges encountered in the pursuit of sustainable competitive advantage (Shereefa et al., 2022). The innovation strategies in this study will be studied are innovative organization culture, innovative organization structure, innovative customer relationships and innovative technology capabilities.

1.2.2.1 Creative organization culture strategy

Ngugi et al. (2021) emphasized that organizational culture encompasses a shared foundational framework and learned assumptions aimed at addressing internal integration and external adaptation challenges. It involves a fusion of beliefs, communal values such as honesty, diligence, non-discrimination, loyalty, persistence, norms, behaviors, characteristics, symbols, assumptions, habits, rituals, philosophies, attitudes, and practices employed by organizations to gain a competitive edge. An innovative culture, in particular, pertains to an environment where organizations derive lessons from past beliefs, ideas, and actions that led to failures, focusing on the future through inventive ideas, risk-taking strategies, proactive planning and execution, a challenging atmosphere, and a previously overlooked creative culture. This innovative culture is regarded as a valuable asset that distinguishes an organization from others and significantly impacts organizational performance (Ngugi et al., 2021).

Xanthopoulou et al. (2022) conducted research in Greece on the influence of strong cultures on the performance of Greek public administration. Similarly, Ur Rehman et al. (2019) explored the mediating role of innovative culture and organizational learning in the relationship between leadership styles and organizational performance in a Malaysian context. Additionally, Aboramadan et al. (2019) conducted non-Western research to assess how an innovative organizational culture affects the performance of banks.

1.2.2.2 Innovative Organization structure strategy

Njiru and Nya Mute (2018) observed that an innovative organizational structure encompasses various methods for dividing, coordinating, and assigning tasks within an organization to achieve its goals. The ever-changing external environment has led to a trend of making organizational structures more flat, decentralized, informal, and adaptable. Many companies have undertaken organizational innovation initiatives, embracing a flatter, decentralized, and more responsive structure. Moreover, structural innovation contributes to enhanced organizational performance by reducing management costs, improving efficiency, and increasing employee satisfaction. Iranmanesh et al. (2021) emphasize that an innovative organizational structure not only enhances the dynamic capabilities of enterprises but also improves international performance. They argue that dynamic capability involves seizing opportunities to reallocate resources for enhanced performance in a complex external environment. However, a detailed analysis of the dynamic capability process is lacking in their study (Onono, 2018). Structural innovation involves adjustments and optimizations to align with an organization's internal and external environment. In today's highly dynamic market, structural innovation tends to favor flat, decentralized, and flexible structures (Szczepańska-Woszczyna, 2018). This type of innovation introduces new methods of information transmission and decision-making, enabling enterprises to adapt and respond to the environment more efficiently. Li et al. (2022) point out that the structural innovation of enterprises enhances absorptive capabilities within dynamic capabilities through both formal and informal channels. On one hand, enterprises can establish separate departments or expand job functions to strengthen the collection of information and industrial knowledge about the external environment (Onono, 2018). This formal and institutionalized function ensures a more robust and expansive information and knowledge source, enhancing the perception and reception of the external environment. It facilitates the internal absorption and transformation of external knowledge (Njiru & Nya Mute, 2018). On the other hand, a flattened and decentralized organizational structure increases the personal enthusiasm and involvement of employees, turning each employee into a knowledge receiver and releaser. This accelerates the flow and dissemination of knowledge, facilitating the swift conversion of external knowledge into applicable internal knowledge. Consequently, the absorptive capacity of enterprises is improved. The rapid digestion,

integration, and application of external knowledge empower enterprises to respond quickly to market dynamics and development opportunities, leading to increased profits and market shares (Riany, 2021).

1.2.2.3 Innovative Customer Relationships Strategy

In the study conducted by Junior Oti-Frimpong and colleagues (2022) on service innovation and customer satisfaction, it was observed that the ability of a service company to achieve consumer fulfillment depends on how information handlers execute and organize their service innovation initiatives. Additionally, the research suggested that the creation of client value serves as an intermediary in connecting service innovation and consumer satisfaction. Therefore, it is imperative for service innovation to demonstrate its significance to clients in order to enhance customer satisfaction. Insurance brokerage directors can enhance the effectiveness of their service offerings in achieving client satisfaction by placing increased emphasis on customer research, market analysis, and fostering enhanced customer interactions.

1.2.2.4 Innovative Technology Capabilities Strategy

BiL and ÖzdemiR (2021) highlight that technological innovation involves the application of knowledge-based ideas and resources to gain a competitive edge. It is a crucial factor for growth and market leadership, providing a significant advantage for many companies. The ability to innovate is a prerequisite for successfully utilizing new technologies and innovative resources. Shereefa et al. (2022) assert that innovative enterprises focus on how strategy and structure determine competitive advantage, a viewpoint supported by Khraim (2022). The core of innovative enterprises lies in organizational integration based on skills that contribute to collective and cumulative learning. Shereefa et al. (2022) stress the importance of organizational and management processes as crucial elements supporting firms in achieving innovative performance.

Mugendi and Karugu (2022) observe that innovation strategies profoundly impact the growth of firms in diverse economies. Positive effects of innovative performance extend to product, market, and financial performance,

leading to increased sales and market share. These firms significantly contribute to customer satisfaction and the acquisition of new customers.

In the context of the "Republic of North Macedonia," Kamenjarska et al.'s (2021) study explores how innovative factors influence the financial performance of insurance firms. It is emphasized that insurance firms should allocate sufficient resources for research in innovation to enhance their penetration in the insurance sector in the "Republic of North Macedonia." To ensure the success of the innovation planning scenario process, insurance firms should engage all stakeholders, including policyholders and employees, in introducing innovative technologies and hiring expert consultants. Furthermore, embracing innovation technologies is crucial for insurance companies to gain a competitive advantage and achieve financial performance, despite the ongoing development of the market within the "Republic of North Macedonia."

In Africa, insurance growth is identified as steady, albeit globally remaining below 3.65 per cent. The total premium underwritten accounted for 60.7 billion US dollars in 2017 (Bernard, 2018), with South Africa being the continent's largest market, generating premiums exceeding 44 billion US dollars. However, challenges persist in the South African insurance market, particularly in the lack of adopting innovation. Consequently, issues related to product innovation capabilities, innovation technology capabilities, market innovation capabilities, and service innovation capabilities continue to affect the insurance industry.

1.2.3 Insurance Sector in Kenya

Insurance is identified an organization comitment to compensating a client when there is loss of insured item or property. Moreover, the aim offering protection financially and act risk management measures to persons and businesses. In addition, there are two categories of insurance namely non-life or general insurance and life

insurance. Further, general insurance protects clients against risks leading to property loss or damage. On the other hand, life insurance is a form of long-term savings ensuring that policyholder contributes amounts that concide with the financial needs at different life stages. Also life insurance is a tool for long term investment that aim facilitating capital growth for individuals (IRA, 2021).

It can be noted that insurance industry in Kenya consist of twenty-five (25) general insurers, thirteen (13) life insurers and eleven (11) composite insurers. Moreover, other players consist of one-hundred and ninety five (195) licensed insurance brokers, twenty nine (29) medical insurance providers, over 5000 insurance agents, one hundred and thirty three (133) investigators, one hundred and eight (108) motor assessors, twenty five (25) loss adjusters and twenty four (24) insurance surveyors (IRA, 2021). There are two major associations in insurance namely: "Association of Insurance Brokers of Kenya (AIBK)," "Association of Kenya Insurers (AKI)" and the body that regulate the insurance industry is "Insurance Regulatory Authority (IRA)" (IRA, 2021).

Currently, there is high competition within insurance industry where 49 insurers were closed in year 2014 that were fighting for business space which constituted of 2.93 percent of market share. Recently, the insurance sector in Kenya operates in competitive environment. However, the products/service being offered are standardized hence, reducing the competition slightly (Gathua, 2018). But, with the high number of insurers within the industry, from 15 in the year 1978 to 39 in the year 2001 to 49 as at end of the year 2014, more pressure is being exerted on insurers in formulating successful innovative strategies to facilitate responses that are proactive to these changes within this competitive environment. Insurers have turned into focusing of innovative technologies which will enable in responding to the competitive market effectively.

Some of the insurance companies within Kenya have implemented several distinctive strategies in countering competition and elevating them among other players in the industry. In addition, the use of technologies, specifically in the mobile phones for disseminating information, claim payments and facilitating premium contributions are particularly a milestone. Further, other insurance firms have customized some services/products

to satisfy customers needs and also opening new distribution channels of insurance such as banks bringing services/products to target markets (IRA, 2021).

1.2.4 Overview of "Co-operative Insurance Company" Insurance Group Ltd (CIC)

CIC begun in the year 1978 using the trading name of "Co-operative Insurance Services Limited (CIS)," however, it changed its trading name in year 1999 to "Co-operative Insurance Company of Kenya Limited (CIC Insurance)," as segment of the firm's market repositioning strategies of competitive changing business world, then small firm to a now a giant insurer in the industry (CIC, 2022).

Moreover, the firm underwrites both general and life insurance policies. Further it is the desired underwriter within Kenya cooperative movement. The firm is ranked in the top six (6) highly performing insurance firms in Kenya and it is committed to provide competitive, relevant, and quality insurance services/products financially secure its customers. Moreover, CIC serves within all economic sectors as it develops and nurture strong collaborations with the intermediaries and co-operative sector (CIC, 2022).

1.3 Statement of the Problem

In the insurance industry innovation strategies goes beyond or further the technological innovation field to strategies of attracting new, maintaining clients, organization culture and structure. The competition in the industry requires comprehension of companies' selection of innovation strategies influence on various strategies for innovation on firm innovation performance. Identifying how companies' selection of innovation strategy impact firm innovation performance is vital for management and owners of the business. In the insurance industry there has been an increased level of competition (Gathua, 2018).

The study filled the gaps identified for instance, Xanthopoulou et al. (2022) study on Greek public administration was on impact of strong cultures on organizational performance used Competing Values Model (CVM). The current study filled the gap on use of descriptive, multiple regression and correlation analysis. Li et al. (2022) conducted an empirical investigation into the impact of structural innovation on organizational performance,

employing a dynamic capability perspective. However, their study left a void in understanding the innovative organization structure strategy. To address this gap, the present study will utilize a questionnaire-based approach. Similarly, Mugendi and Karugu (2022) explored the influence of innovation strategies on the performance of insurance brokerage companies in the County of Nairobi, Kenya. Despite their valuable insights, the study utilized both secondary and primary data collection methods, creating a need for further examination. Junior Oti-Frimpong et al. (2022) left a gap when investigating how customer relationship management impacted business performance and used innovation capability as a mediating factor. By highlight the factors that contribute to successful innovation and their implications on performance, CIC can develop more effective strategies for driving innovation and achieving sustainable growth. Moreover, the recommendations derived from this research will help CIC and other insurance firms in Kenya to enhance their innovative capabilities and improve overall performance in a rapidly changing business environment.

1.4 Purpose of the Research

Andrew, Pedersen, and McEvoy, (2019) examined the purpose of a study is to provide a clear and concise explanations of why the research is being conducted and what it aims to achieve. The main purpose of the study was to establish whether the adoption of innovation strategy has any implication on the performance of organization especially CIC Limited Company. Further, by examining the innovation strategy of the company, the study can identify key drivers or factors that contribute to organizational success. This can include aspects such as investment in research and development, fostering a culture of innovation, or implementing innovative technologies and processes.

1.5 Objectives of the Research

The study was guided by both general and specific objectives.

1.5.1 General Objective

The primary objective of the study focused on the influence of innovation strategy on organization performance; a case of Cooperative Insurance Company in Kenya.

1.5.2 Specific Objectives

Specifically, the research determined the following objectives:

i) To examine the influence of creative organization culture strategy on organization performance; a case of Cooperative Insurance Company.

ii) To establish the influence of innovative organization structure strategy on organization performance; a case of Cooperative Insurance Company.

iii) To investigate the influence of innovative technology capabilities strategy on organization performance; a case of Cooperative Insurance Company.

iv) To assess the influence of innovative customer relationship strategy on organization performance; a case of Cooperative Insurance Company.

1.6 Research Hypotheses

The following research hypothesis was evaluated:

i) H_{O1} -There is no significant relationship between creative organization culture strategy and organization performance of Kenyan insurance companies.

ii) H_{O2} -There is no significant relationship between innovative organization structure strategy and organization performance of Kenyan insurance companies.

iii) H_{O3} -There is no significant relationship between innovative technology capabilities strategy and organization performance of Kenyan insurance companies.

iv) H_{O4} -There is no significant relationship between innovative customer relationships strategy and organization performance of Kenyan insurance companies.

1.7 Significance of the Research

This study was important to the following stakeholders in the insurance industry. The research may benefit the policy making regarding impact of innovations strategies in insurance, monitoring, and evaluation of the insurance industry.

The findings, conclusions, and recommendation of this research may be beneficial to the managers of CIC Insurance group within Kenya especially in the innovation strategies. The scholarly field may benefit from the research, as the findings report added to the empirical literature available on this subject. Future researchers in the same field will be of benefit from this study, as it will help them identify more areas for research.

1.8 Scope of the Study

The research is concerned on influences of innovation strategies and organization performance of CIC Insurance Group limited, focused on employees. The study covered four independent variables that is creative organization culture strategy, innovative organization structure strategy, innovative technology capabilities strategy and innovative customer relationship strategy. In addition, research population comprised of staff, lower management middle management, and top management of CIC insurance group limited.

1.9 Delimitation of the Study

The result of this study is limited to CIC insurance group. However, the researcher gave an in-depth analysis of the CIC insurance group innovation strategy so as to provide insight into performance of insurance firms. Further, the study covered four variables which are creative organization culture strategy, innovative organization structure strategy, innovative technology capabilities strategy and innovative customer relationships strategy. Also, delimitation is the research was grounded on two theories that is open innovation theory and disruptive innovation theory. Finally, the sample population target comprised of staff, lower management middle management, and top management of CIC insurance group limited.

1.10 Limitations of the Study

The study concerned on insurance firms that had limited information sharing to the public. However, the research countered information sharing by informing the respondents that confidentiality was highly adhered to as this research was purely for academic purpose. Moreover, the study employed personal networks gaining access within insurance firm and in gathering required information. Furthermore, the research utilized descriptive design, since it not expensive and time consuming. Also, external validity is a limitation as the research was conducted in CIC Insurance Ltd only, as per the resources available for the study. In surmounting this, the outcomes of the research generalized as per the sample size of the research.

1.11 Assumptions of the Research

The study assumption is that respondents were not biased in the responses, and they provided the required information for the study. The second assumption is that the sample frame was representative enough to provide the information needed on strategy innovation and organization performance. Finally, the study assumed that data analyses procedures comprised of descriptive, correlation and regression analyses are the suitable tools for analyses and the finding showed the situation of strategy innovation and organization performance in the insurance sector.

1.12 Theoretical Framework

The study consisted of two (2) theories that is open innovation theory and disruptive innovation theory as discussed below.

1.12.1 The Open Innovation Theory (OIT)

OIT is a theory that indicates that a firm can utilize external ideas/resources and internal ideas/resources, where both external and internal paths enhance firms' market by looking at technology advance (Bigliardi et al., 2020). In addition, the theory holds that research and development within the firm is an open system in which ideas are gathered from the internal and the external sources. Moreover, in open innovation system boundaries are eliminated as the firm take into consideration of market paths from internal and external, hence, the insurance

firms can access ideas on innovative strategies across enhancing organization performance. This enhances massive knowledge database and resources in the sector that will fuel innovations (Orlova, 2020).

Open innovations can be classified into two (2) categories that are inbound open innovation system and out bound open innovation system. On inbound open innovation system, it leverages on discoveries invented by others and establish key business relationships in external organizations to enhance innovation competencies (Orlova, 2020). On the other hand, out bound open innovation systems entails outflow of technology existing with intention of leveraging existing external technology capabilities. In addition, in exploiting of ideas it occurs in various markets through selling intellectual property and to increase capabilities through diverting innovation within external market (Bayat et al., 2022).

The theory supports the study in that insurance firms formulate strategies that are innovative so that they can achieve organization performance. In addition, innovative organization culture and innovative organization structure are part of the internal resources or ideas that support innovations which lead to great organization performance. On the other hand, innovative technology capabilities strategy and innovative customer relationships strategy are part of the external resources or ideas that shape the innovation of the insurance industry.

1.12.2 The Disruptive Innovation Theory (DIT)

DIT was discovered by Clayton Christensen and indicates innovations enhance producing new markets and value networks that disrupt legacy systems of markets and networks over time. The innovations help to improve high-quality services/products in ways new to the market through radical innovations ensuring growth (Si & Chen, 2020). Disruptive innovation is identified as successful configuration of service/product changing market demands and needs which end up removing legacy market players (Terry, 2020). In addition, the advantages of disruptive innovations are their inferiority in the market attributes of product, providing unique and new value system in a new client and price oriented market, where there are lower prices entering the market will enhance success by creating a niche segment (Xing et al., 2020).

Disruptive technologies provide complementary values from the technologies mainstream and at the start perform lower as compared to legacy technologies whose outcomes are resistance from old or traditional customers. Moreover, Disruptive innovations is a process of developing and improving products/services serving a niche market seeking high-quality services/products in the insurance sector (Xing et al., 2020). Moreover, Market disruptions happen when new products considered inferior overtake and displacing traditional products/services despite the market performance. They emerge from gaps already existing in the market as new ideas are merged with a other world perspective challenging status quo and looking into horizons that are new in the insurance industry, hence enhancing organization performance. They bring unimaginable goals and customers are set into a new unexplored hence creating satisfaction (Terry, 2020). The study is pinned to this theory because insurance companies invent new strategies that concur new markets increasing revenue, hence enhancing organization performance. Moreover, innovative organization culture entail insurance firms adopting strategies to keep improving their products or services to their customers or clients so that they can enhance organization performance.1.13

1.13 Conceptual Framework

The conceptual framework consisted of the independent variable that is creative organization culture strategy, innovative organization structure strategy, innovative technology capabilities strategy and innovative customer relationships strategy. The dependent variable included the organization performance as indicated by figure 1.1

Independent Variable **Dependent Variables**

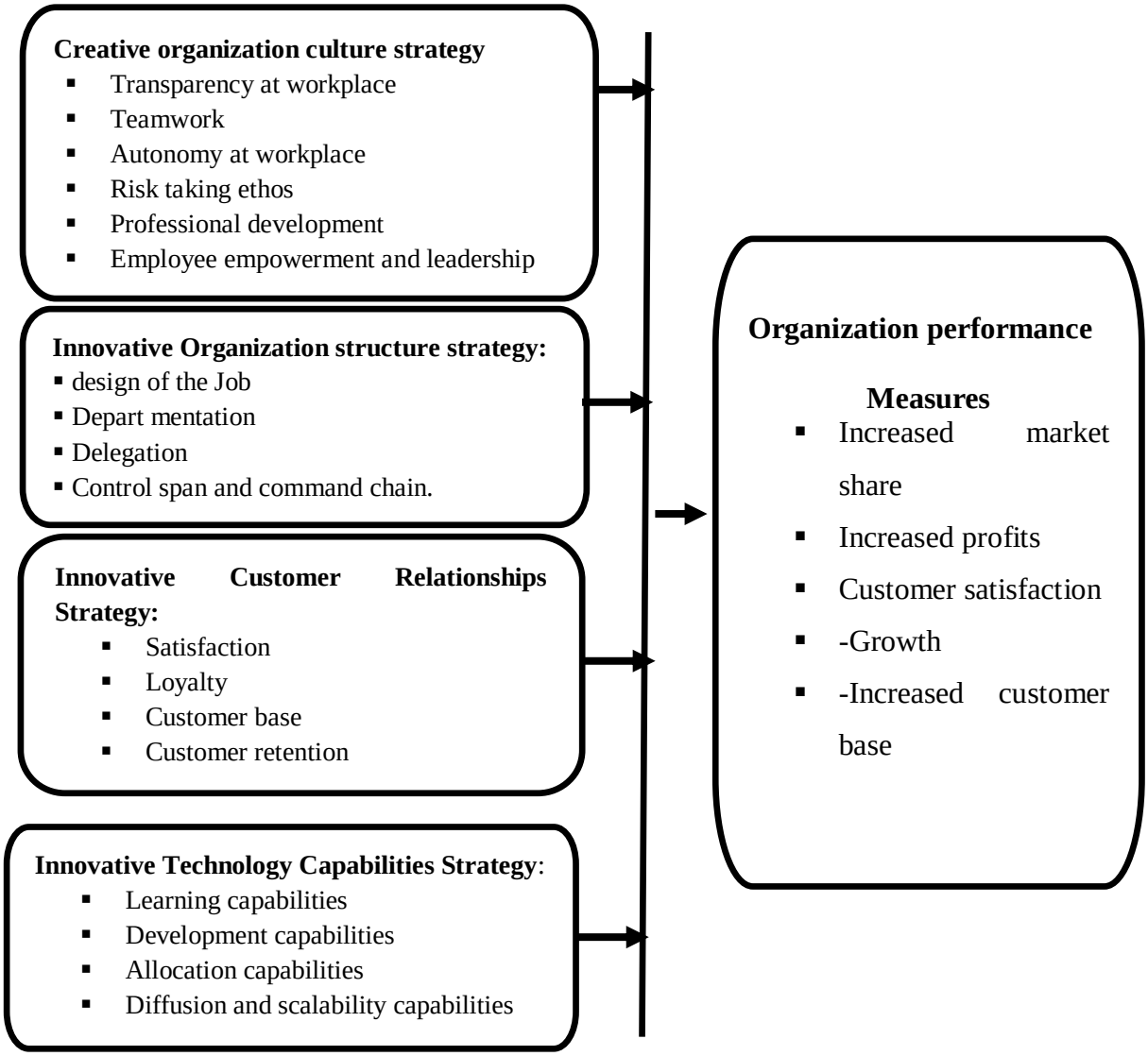


Figure 1.1: Conceptual Framework

Source: Author (2024)

Organizational culture: It includes shared basic pattern, assumptions that are learned so as to solve problems of internal integration and external adaptation.

Innovative organizational structure: It involved a set of ways by which organizational work is separated into tasks, coordinated and delegated so as to achieve organization goals. It was measured through attributes of design of the Job Departmentation, delegation, control span and command chain.

Technological innovation: It involved application knowledge-based ideas and resources to create competitive edge. The measurement involved; Learning, Development, Allocation, adoption, diffusion and scalability.

Innovative customer relationship strategy: It is comprised of going beyond tradition customer services, to establishing relationship between customers and firm and meet customer needs. The measure included; Satisfaction, Loyalty, customer base and customer retention.

Organizational performance: It is a measure of the organization state on how the organization is excelling financially and non-financially. The measures are increased market share, profits and customer base and customer satisfaction.

CHAPTER TWO
LITREATURE REVIEW

2.1 Introduction

The chapter presented empirical studies on influences of innovation strategy on organization performance within insurance sector guided by objectives identified in earlier chapter. Moreover, summary of the reviewed literature, and knowledge/research gaps filled by the study was determined.

2.2 Review of the Literature

The empirical literature consisted of creative organization culture strategy, innovative organization structure strategy, innovative technology capabilities strategy and innovative customer relationships strategy.

2.2.1 Creative Organization Culture Strategy and Organization Performance

Organizational culture includes combination/set of shared beliefs and values such as loyalty, assumptions, honesty, rituals, diligence, persistent, attitudes, avoiding discrimination, behaviors, characteristics, symbols, habits, philosophies, practices and norms which a firm uses to achieve and gain advantage over other businesses (Ngugi et al., 2021). Innovative culture involves culture that organizations learn from history ideas, beliefs, and actions which form reasons of failing and focusing on the future through utilizing risk-taking strategies and innovative ideas through planning and performing in challenging environment. Moreover, innovative culture is vital resource for businesses that want to create unique products and influence organizational performance (Ngugi et al., 2021).

Xanthopoulou et al. (2022) research on Greek public administration was how strong cultures impact organizational performance. The study was focused on the “Competing Values Model (CVM),” examined the influence the strength of the culture and organizational performance. A sample of ninety-two was examined, of which a total of four hundred and twenty-four people responded to an online questionnaire. The findings indicated that there was no relationship between culture’s strength and an organization’s performance and that strong culture values had no significant impact on in the public sector organizational performance.

Shereefa et al. (2022) developed a theoretical framework understanding how innovative culture fostered organization performance employing a competitive advantage. The study used five theories which were: "(MBV) Market based-view," Capability based view (CBV), "(KBV) Knowledge based-view," "(RBV) Resource based-view," and the (RV) Relational View. In addition, the study accessed the theories linked to innovation from the national innovation system, Schumpeter pre-1950. Results were that innovation culture theory was the major key to foster and sustain competitive advantage with the organization. The rationale on the theory was that innovative culture were imitable, rare, unique, and were no substitutable. The study Filled gaps that were presented by competitive advantage and innovation theories contributed to a superior comprehension of innovative culture as a new source of competitive advantage.

Strychalska-Rudzewicz and Rudzewicz (2021) study in Poland manufacturing businesses examined the relationship between firm performance and organizational innovativeness and considered culture innovation as a moderator. A survey was conducted of one-hundred and twenty-one. The study used regression analysis in assessing the relationships between organizational innovation firm's performance and innovation culture. The study findings were that Organizational innovativeness and innovation culture both have a substantial and positive impact on firm performance.

Ur Rehman et al. (2019) study in Malaysian SMEs, investigated the mediating effect of culture of innovation and organizational learning between styles of leadership and performance of organizational. The study employed a questionnaire to gather data from owners and managers. Findings showed that styles of leadership had significant influence on organizational learning, culture of innovation, and performance of organizational. In addition, the findings depicted that culture of Innovation and organizational learning had significant influence on organizational performance. Moreover, the outcomes showed that culture of innovation and organizational learning significantly mediated between styles of leadership and performance of organizational.

Aboramadan et al. (2019) research in Palestine, determined culture of organizational, innovation and performance. The study examined the relationship between culture of organizational, innovation and performance of banks. Also, data were collected using a questionnaire from employees working with the banks. The data gathered were analyzed through partial-least squares structural equation modeling. The results showed that culture of organizational and marketing innovation had positive impact on performance of banks. Moreover, the findings revealed that marketing performance, partially mediated on the relationship between culture of organizational and performance of banks.

Bourdeau et al. (2018) conducted research on innovation intensity, innovative culture to organizational performance. The study tested a model exploring the collaborative effects on experiential culture, internally and externally focusing utilizing of information technology on intensity of innovation and performance of organizational. The model was tested through (PLS) structural equation model utilizing data gathered from top managers. Results showed that intense utilizing of externally and internally focused information technology had a positive effect intensity of innovation. The findings also showed that culture of collaborative increased innovation intensity. Finally, intensity of innovation increased financial performance.

2.2.2 Influence of Innovative Organization structure strategy and Organization Performance

Iranmanesh et al. (2021) study tested the how structure of firm impact innovation capabilities and of manufacturing firm's performance factoring innovation capabilities moderating effects. Data was gathered by a survey from medium and large manufacturers within Malaysia and partial least squares technique approach was utilized in analyses. The findings showed that formalization, specialization and informal social relations had a positive significant effect on innovation capabilities. Also, the findings revealed that innovation capabilities

relationship with operational performance was supported. Finally, the results on innovation capabilities revealed a positive moderates impact of link mechanisms and informal social relations on firms' innovation capabilities.

Szczepańska-Woszczyna (2018) examined the relationships between the innovativeness of an organization and its selected determinants such as strategy, corporate culture, structure and operational processes. Research was conducted among managers at the top, middle and operational levels of management (companies operating in Poland implementing innovations – innovative companies). The analysis assumed that the assessment of company innovativeness would be based on an assessment of whether the company is a leader in the industry in terms of new products (the higher the rating, the more innovative the company is considered to be). The relationship between the dimensions of the company's functioning and the degree of its innovativeness was rated on the basis of two measures: The Spearman's rank correlation coefficient and the chi-square coefficient.

Njiru and Nyamute, (2018) noted that innovative organizational structure involves set of ways by which organizational work is separate into tasks, coordinated and delegated so as to achieve organization goals. Li et al. (2022) empirical study on enterprises assessed how structural innovation influence performance of organizational using dynamic capability perspective. The empirical research of enterprises revealed that structural innovation had a direct significant influence with performance of organizational, and the two (2) dimensions of dynamic capabilities, that were absorptive capabilities and transformative capabilities, played an independent intermediary role in determining the relationship between structural innovation and organizational performance.

Riany (2021) study established how organizational structure influenced the performance of state owned corporations within Kenya. The study was anchored on (CT) Contingency theory and (NPM) New Public Management theory. The study used descriptive design through exploratory approached collecting data. The research employed a sample of ninety-six (96) state owned corporations and gathered data through a questionnaire. The study findings were that organizational structure had a significant positive influence on the performance of state-owned corporations.

Karemu et al. (2021) study investigated how organizational structure influenced performance of Mobile Telephone Network Operators within Kenya. In addition, the study was pinned on the theory of structural contingency. Further, the research used a questionnaire to collect primary data and published company's reports to gather secondary data Moreover; data analysis was done using descriptive statistics and inferential statistics. The study findings were that there was a statistically significant influence of structure of organizational and performance of organizations.

In addition, Onono (2018) research determined how structure of organizational impact on performance at General Electric Africa. The research used Pearson correlation and found that relationship between structure of organizational and performance, findings revealed a strong positive relationship between structure of organizational and performance. In addition, the findings from regression showed a relationship between organizational learning impact on organizational performance. The findings indicated a strong positive relationship between organizational performance and organizational learning.

2.2.3 Influence of Innovative Technology capabilities Strategy and Organization Performance

Kamenjarska et al. (2021) conducted a study on insurance firms within Republic of North Macedonia on how innovative capabilities and types impacted financial performances of insurance companies/firms. In addition, factors that affected degree of innovative strategies were; competitive priorities, innovation efforts, market strategies, internal organizational atmosphere impacted financial performance of insurance firms considering conditions of market. The research results from structural equation modeling analysis, revealed a positive effects of innovation performance and profitability of insurance firms.

Khraim (2022) study investigated how technology innovative capability influenced firm performance within information technology industry with a moderator variable of strategic agility. The research used online structured questionnaires to gather data management employees and department heads from Amman, Jordan IT firms. The research findings revealed that learning capabilities, marketing capabilities, organizational capabilities, and strategic planning capabilities had a positive significant influence on firm performance; however, resource

allocation capabilities were not significant performance of the firms. In addition, the multiple hierarchical regression utilized in testing the moderating effects on strategic agility and the relationship between firm performance and technological innovative capabilities. The results Revealed that the moderating effect showed that strategic agility affected firm performance.

BiL and ÖzdemiR (2021) conducted research to examine how technological innovation capability on firm's innovation effected marketing performance in Techno park companies in Turkey. The research population consisted of four-thousand firms that carries out business activities within the body of fifty sixTechnoparks in addition, explanatory factor analyses, confirmatory factor analyses, and (SEM) the Structural Equation Modeling analyses were done to examine relationships of the variables. The result of the Structural Equation Modeling analyses showed that R&D capabilities had significant positive effects to product performance, marketing performance and product performance and learning capabilities, marketing capabilities, and product performance directly influenced marketing performance.

A study by Jin, et al. (2018) in China conducted to examine how technological strategic flexibilities, configuration capabilities influenced organizational performance high-tech organizations found that curvilinear influence of the strategic flexibility on the organizational performance. The roles of the strategic flexibilities in the performance improvement, was that strategic flexibilities emphasized the flexible using of resources and processes of reconfiguration, and dynamic capabilities that enabled companies in achieving competitive advantage in markets that were turbulent. The study also, found that technological configuration capabilities enhanced a company's dynamic utilization of existing knowledge in production innovation.

Mugendi and Karugu (2022) examined how innovation strategies influenced the performance of insurance brokerage companies within county of Nairobi in Kenya. The study/research utilized the descriptive survey approach. The study target population comprised of insurance Brokers firms. The research sample size was accessed using questionnaire on primary data and while secondary data comprised of company websites IRA

publications, and company financial statements. Descriptive and inferential statistics were used for the data analysis. The research findings revealed that innovation of product, innovation of service and innovation of market was significant which positively influenced insurance brokerage firm's performance.

Mwangi (2021) study determined how innovativeness influenced organizational performance among Kenyan insurance firms. The research used positive research/study philosophy. In addition, Descriptive and explanatory study designs were utilized. Moreover, the target population comprised of management employees drawn from all fifty-five registered insurance firm. Furthermore, primary data was gathered by employing questionnaires which contained open and closed ended questions. In addition, Data analysis was done by utilizing descriptive statistics that included the mean score, frequencies and the standard deviation and/or inferential analyses included regression, and/or correlation analyses. The study findings depicted that innovativeness had a positive significant relationship with organizational performance.

2.2.4 Influence of Innovative Customer Relationships Strategy and Organization Performance

Junior Oti-Frimpong et al. (2022) investigated how customer relationship management impacted business performance, with innovation capabilities as a mediating factor. Further, data was gathered from different head of departmental, branch managers and permanent employees of six (6) mobile communication companies within Ghana. In addition, the research utilized multiple line regression analysis and the Structural Equation Model (SEM). The research results showed a statistically positive significant relationship on CRM, innovation capabilities and business performance. Also, the research findings were that innovation capabilities had a significantly positive mediating effect on business performance.

Tuominen et al. (2022) examined how customer orientation influenced customer relationship orientation performance as two (2) distinct constructs that drive firm innovativeness, and/or how they support organizational growth in Italian export firms. The research empirically tested a model on customer orientation, relationship orientation and innovativeness so as predict organization growth. In addition, the model controlled the effects of organization size, industry/sector and types of business to business and business to customers/clients. Moreover,

the research findings showed that customer/clients orientation and customer/clients relationship orientation were two distinct strategic orientations that propelled innovativeness. However, not directly affecting organization growth. Hence, It require exporter innovativeness to materialize organization growth.

Thoumrungroje and Racela (2022) conducted a study on innovation and performance implications of clients/customer-orientation within various firm strategy types in Thailand firms. A sample of three hundred and ninity five companies participated in the survey. Moreover, the multiple-group structural equation modeling and the multivariate analyses of variances were used in hypothesis testing. Further, the research findings revealed that positive, strong, and significant clients/customer orientation–innovation capabilities link. Moreover, clients/customer orientation and innovative capabilities contributed significantly to financial performance on prospectors.

Guerola-Navarro et al. (2021) determined clients/customer relationship management and Innovation which was qualitative comparative analyses and improvements on firm/company performance within Spain winery industry. The findings of the study were that sufficient pathways that required the firms to utilize customer relationship management with a good management culture and did not require Innovation of Products, to attain firm performance.

Valmohammadi (2017) study empirically tested the framework to identify relationships between clients/customer relationship management practices, firm/organizational performance and innovation capabilities within manufacturing firms in Iran. Moreover, research were gathered from the manufacturing firms/companies. In addition, the study model was examined through structural equation modeling. Further, the findings of research revealed that clients/customer relationship management had a positive significant weak, effect on organizational/firm performance and innovation capabilities. Innovation improvement which caused by CRM enhances better organizational/firm performance.

2.3 Summary and Research Gaps

To address the knowledge gap in a study on innovative strategy and organizational performance of Cooperative Insurance Company in Kenya, typically, there exist literatures on innovative strategies in Insurance Companies. Some of these reviews tend to investigate innovative strategies implemented by insurance companies globally, regionally and locally that identify successful strategies, challenges faced, and their impact on organizational performance. Notably, majority of the study examines the existing metrics used to measure organizational performance in the insurance sector. This could include financial indicators, customer satisfaction metrics and market share. There is need to explore literature on cooperative business models and their applicability to the insurance sector. There is need to investigate how cooperative structures impact innovation and organizational performance. Finally, the study investigates the evolving needs of customers in the Kenya insurance market and emerging trends in the industry. Understanding customer preferences and market dynamics can help identify areas where innovation can drive performance improvements.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This portion includes the design of the study, the research site and its rationale, the intended research population, the methods for sampling, the chosen sample size, the procedures for data collection, the instruments used for research or study, the pilot testing, and the assessment of the validity and reliability of research or study instruments, along with the approaches to data analysis.

3.2 Research Design

The researcher employed a descriptive research design, which facilitated the gathering of information within a specific group of participants based on the environment (Creswell & Plano Clark, 2018). In addition, the objective of using this design was to help in depicting the scenario of influence of innovation strategy on organization performance as it is within the insurance industry (Bell et al., 2019). Moreover, they implied that it was a framework designed for evaluating data and conditions in a way that adds significance to the research objective through efficient procedures. The research specifically concentrated on the relationship between innovation strategy and organizational performance.The descriptive research design was effective in gaining deeper insights as regards to the issues linked with innovation strategy. As a matter of fact, through exploration, the researcher was able to create a proper understaind on the issues that led to the introduction of this innovation strategies. This was done through literature review as well as primary data.

3.3 Research Site

The site of the research is at CIC Ltd headquarters in Nairobi. In addition, it was suitable for the study as it provided the needed sample size of the research that is representative. Moreover, where researcher knows the site of the study the lesser time wasting and resistance from the respondents (Schindler, 2019).

3.4 Target Population

The research population aimed at encompassing the staff or employees of CIC Insurance tasked with determining the research sampling size (Bell et al., 2019). This population specifically included all levels of management staff/employees situated at the head office of CIC Insurance Company Ltd in Nairobi. According to CIC (2022), the total number of employees at CIC Ltd is approximately 648.

Table 3.1 Population Distribution

Category	Target Population	Percentage
Top level Managers	50	8%
Middle level Managers	150	23%
Lower level Managers	198	31%
General Staff	250	38%
Total	**648**	**100%**

Source: CIC (2024)

Table 3.1 shows that target research population consist 648 employees within CIC insurance.

3.5 Study Sample

A study's sample size is determined by the number of items chosen from the entire population to form a representative sample (Kothari & Garg, 2014). Consequently, the study sample size represents a segment employed in a research inquiry, reflecting a proportion of the population that shares similar characteristics with

the overall population. It serves as a reduced representation of the entire population under investigation. The research sample encompasses both the sampling procedure or design and the specified research sample size.

3.5.1 Sampling Procedure

In the research stratified random sampling procedure or design was utilized. Hence, the design entailed categorizing the population into four strata (Creswell & Plano Clark, 2018). It should be noted that for every stratum it represented a portion of percentage of the research sample size. This approach was utilized since the managerial employees at CIC Insurance are categorized into four classes.

3.5.2 Study Sample Size

Sample size, as defined by Dell, Holleran, and Ramakrishnan (2002), refers to the number of observations or replicates included in a statistical sample. In essence, it represents the portion of the population utilized for a research investigation, reflecting specific characteristics of the overall population in a smaller version employed for the study. Additionally, Mugenda and Mugenda (2013) asserted that an ideal sample size falls within the range of 10% to 30% of the entire population. In this particular study, the Yamane formula was employed to ascertain the sample size due to the finite nature of the population. The basis of distribution was specifically in line with marginal error; that is, acceptable margin of error in estimating populations parameters determined sample size. Therefore, the smaller margins of error typically necessitate larger sample sizes.

$$n = \frac{N}{1 + Ne\text{^}2}$$

$$n = \frac{648}{1+648(0.05)\text{^}2} = 247$$

$n = corrected\ sample\ size, N = Population\ Size, and\ e = Margin\ of\ Error, e = 0.05\ based\ on\ the\ research\ conditions$

Table 3.2 Sample Size

Category	Target Population	Sample Size
Top Level Management	50	19
Middle Level Manager	150	57
Lower Level Managers	198	75
General Staff	250	96
Total	**648**	**247**

Source: Author (2024)

3.6 Data Collection

3.6.1 Data Collection Instruments

The tools utilized for gathering data in the research are acknowledged as research instruments. The researcher opted for a questionnaire due to its time-saving nature, ability to maintain high levels of confidentiality, and cost-effectiveness. The questionnaire was organized into two parts, covering demographic characteristics in the first section and study variables in the second section.

3.6.2 Pilot Testing of Research Instruments

Before initiating the data collection process, a pilot test was carried out. This step primarily aimed at assessing the initial trial of data collection tools and procedures, with a focus on identifying and rectifying any issues associated with the program. This process was crucial for making necessary adjustments to instruments and ensuring the accurate collection of data, helping to identify potential errors in the questions as highlighted by Kumar (2018). To ensure clarity and completeness, a pilot test involving 10% of AAR Insurance Kenya employees, who are respondents in this study, will be conducted. This decision is influenced by the fact that AAR Insurance Kenya is a competing company offering similar products. As suggested by Leavy (2017), any segment of the population can serve as a suitable sample for a pilot study, examining the study variables.

3.6.3 Instrument Reliability

Ensuring the reliability of data collection instruments is crucial for any study. Reliability, as defined by Kothari (2013), pertains to the consistent measurement of variables. The questionnaire, serving as the data collection tool, was deemed reliable as it consistently yielded results. Additionally, the reliability of the questions is closely tied to their validity. According to Bryman and Bell (2015), research reliability reflects the degree to which it consistently measures what it intends to measure. To assess the study's reliability, the test-retest method was employed, with questionnaire responses adapted from the pilot. The Cronbach alpha was generated, with values ranging between 0 and 1. Typically, a score of 0.7 and above indicates high consistency and reliability for the instrument.

3.6.4 Instrument Validity

Validity refers to the accuracy of the research instrument in measuring the study's objectives without deviation. Content validity was employed, involving a thorough examination of the tool's questions to ensure each question genuinely measures its intended target. The study sought input from experts, such as managers, to assess the questionnaire's inquiries. In cases where modifications were recommended, the researcher adjusted the highlighted aspects based on the supervisors' suggestions.

3.6.5 Data Collection Procedure

The process of collecting data commenced with obtaining authorization from the Business School at Africa Nazarene University. Subsequently, a research permit was sought from the National Commission for Science, Technology, and Innovation (NACOSTI). Additional approvals were secured from CIC to enable the data collection process. Ultimately, the administration of questionnaires took place electronically, utilizing emails through Google Forms under the supervision of the designated supervisors.

The researcher conducted a preliminary test on the questionnaire to verify its comprehensibility to the participants. The final questionnaire incorporated suggestions from the test. Subsequently, the data collection process commenced by selecting respondents from the sample frame provided by the HR department at CIC. The

questionnaire was then administered to the chosen respondents at their workplaces, with the researcher ensuring delivery to each respondent. Specific dates and times for collecting the completed questionnaires were agreed upon during the administration. Follow-up was conducted through emails, phone calls, or personal visits as needed to ensure completion by respondents. Upon completion, the researcher collected and analyzed the study's primary data based on the study variables.

3.7 Data Processing and Analysis

The questionnaires and other sources was evaluated and assessed as part of the data analysis. Before processing the responses, the field data was examined and compared to select the most accurate and quality information from the feedback supplied by different respondents. The questionnaires that have been completed was revised for consistency and completeness. The acquired raw primary data was coded before being entered into the Statistical Package for Social Sciences (SPSS, Version 25) program. The data collected was solely quantitative, and it was examined using descriptive statistics. MS Excel and SPSS helped the researcher characterize the data and establish the amount to which it was used. In addition, the research was multiple regression analysis to assess the strength of the association between the variables. Quantitative data underwent regression analysis, with a focus on utilizing Karl Pearson's correlation coefficient (r) to examine the relationships among the variables of interest. The investigation also employed a multivariate regression model, as detailed below.

$$y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y = Organization Performance

β_0 = Constant Term,

β_1= Beta coefficients

X_1= creative organization culture strategy

X_2= innovative organization structure strategy

X_3= innovative technology capabilities strategy

X_4= innovative customer relationships strategy

ε = Error Term

3.8 Legal and Ethical Considerations

Ethics refer to the norms or standards that dictate our behavior and guide moral choices in our interactions with others. It is imperative for all parties involved in research to adhere to ethical conduct. Neuman (2013) defines research as an activity aimed at testing hypotheses, drawing conclusions, and contributing to generalized knowledge expressed in theories, principles, and statements of relationships. The researcher received permission from Africa Nazarene University, including an introductory letter emphasizing the study's purpose and ensuring confidentiality for all participants. Subsequently, the researcher obtained a research permit from the National Council for Science and Technology with the university's support.

Prior to the material date, the researcher arranged with CIC Limited's management two weeks in advance to establish rapport, boost respondents' confidence, raise awareness about the study's nature and purpose, and inform them of their freedom to make informed choices. Due to the sensitivity of the issues under study, which involve the core business of the organization, protecting the identity of respondents was crucial. Consequently, the questionnaires were designed without respondent names or details revealing their identity. Throughout the research process, all parties maintained ethical behavior, giving appropriate credit to others' ideas, processes, and results.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Introduction

The chapter presented the results of data analysis under the four objectives of the study. In addition to presenting the findings on respondents' demographics and response rate, this chapter was presented the descriptive and inferential statistics of the study.

4.2 Response Rate

The researcher administered 247 questionnaires, in which 209 (85%) of the questionnaire were filled and considered for analysis while 38(15%) of the questionnaires were neither filled nor returned. However, a response rate of 50% is perceived to be adequate, 60% is considered to be good, and above 70% is considered to be excellent for analysis and reporting (Mugenda & Mugenda, 2003). As a matter of fact, 85% response rate is considered to be excellent for making conclusions as illustrated in Table 4.1.

Table 4.1: Response Rate Outcome

Questionnaire Category	Outcome (%)
Filled and Returned	209(85%)
Neither Filled nor Returned	38(15%)
Total	**100%**

*Percent are in Brackets; F – Frequency

4.3 Demographic Information

This section determined the respondents' demographic information in line with gender, position held in the organization, number of years worked and highest level of education. Moreover, the information obtained is meant

to ensure existence of a clear level of representation in terms of respondents of the respondents across the four demographic characteristics recorded.

The study findings in Table 4.2 clear showed a possible outcome from 209 questionnaires filled. In this case, the findings showed that 113(54.1%) of the respondents were male while 96(45.9%) of the respondents were female. It was clear that from the study, male respondents were evenly distributed. It is indeed true that majority of male respondents had a clear idea on the fact that creative organization culture strategy, innovation organization structure strategy, innovative customer relationship strategy and innovative technology capabilities strategy has an influence on organization performance.

The findings also revealed respondents' specific ranks within the organization. It was evident that 17(8%) of the respondents' level of position was top level managers, 24(11%) of the respondents were in the middle level managers, 41(19%) of the respondents were in the lower level managers and finally, 130(62%) of the respondents were general staff. The study findings also showed respondents number of years worked in the organization,

31(15%) of the respondents worked for less than 5 years, 137(65%) of the respondents worked for 6-10 years, and finally, 41(20%) of the respondents worked for over 10 years.

Table 4.2 Demographic Information

Demographic Information	Distribution Category	Outcome (F, %)
Gender	Male	113(54.1%)
	Females	96(45.9%)
	Total	**209(100%)**
Position	Top Level Managers	17(8%)
	Middle Level Managers	24(11%)
	Lower Level Managers	41(19%)
	General Staff	130(62%)
	Total	**209(100%)**
Number of Years Worked	Less than 5 Years	31(15%)
	Between 6-10 Years	137(65%)
	Over 10 Years	41(20%)
	Total	**209(100%)**
Highest Level of Education	Certificate	21(10.05%)
	Diploma	35(16.75%)
	Degree	93(44.5%)
	Masters	49(23.4%)
	Post Graduate	11(5.3%)
	Total	**209(100%)**

Source: Author (2024)

Finally, the study findings revealed that respondents' highest level of education was as follows, certificate level was 21(10.05%) of the respondents, diploma level was 35(16.75%), degree level was 93(44.5%), master's level was 49(23.4%) and finally, post graduate level was 11(5.3%). Notable, the demographic provides essential information about the characteristics of the population under study. This includes age, gender, ethnicity and social education level. Understanding these factors helped the researcher to comprehend the diversity within their sample and its representation of the larger population

4.4 Influence of Creative Organization Culture Strategy

Table 4.3 Influence of Creative Organization Culture Strategy and Organization Performance Descriptive Results

	Agree	Neither	Disagree		
Creative Organization Culture Strategy	**N (%)**	**N (%)**	**N (%)**	**Mean**	**Std Dev**
Creative organization transparency culture influence organization performance in your workplace at CIC	184(88%)	17(8%)	9(4%)	3.83	.533
Creative organization teamwork culture influence organization performance in your workplace at CIC.	103(49%)	37(18%)	69(33%)	2.78	.969
Creative organization autonomy culture influences organization performance in your workplace at CIC	105(51%)	51(24%)	53(25%)	2.72	.883
Risk taking ethos culture influences organization performance in your workplace at CIC	156(75%)	26(12%)	27(13%)	4.12	1.182
Employee empowering culture influence organization performance in your workplace at CIC	124(59%)	27(13%)	58(28%)	2.50	1.097
Composite Mean/SD				**3.19**	**0.9328**

N = Frequency, % = Percentage in brackets

Initially, the research aimed to determine the respondents' level of agreement regarding various statements related to the impact of a creative organizational culture strategy on organizational performance. Descriptive results were presented using a Likert scale, combining agree, neither, and disagree responses along with mean and standard deviation values. Specifically, strongly agree and agree data were merged into the agree category, while strongly disagree and disagree data formed the disagree category, as detailed in Table 4.3. The results indicated that the means for the creative organization culture strategy ranged from 2.50 to 4.12, with standard deviations ranging from 0.533 to 1.182. Overall, the study established a composite mean of 3.19 and a composite standard deviation

of 0.9238. Furthermore, a composite mean exceeding 3.0 clearly suggested that the majority of respondents agreed that a creative organizational culture strategy influences organizational performance.

The findings revealed that in statement (1), which addressed the influence of creative organizational transparency culture on organizational performance at CIC, 184 out of 210 respondents (88%) agreed, 17 (8%) were neutral, and 9 (4%) disagreed. The mean was 3.83 with a standard deviation of 0.533. A mean higher than the composite mean indicated that most respondents agreed with the statement. Conversely, in statement (2) concerning the influence of creative organizational teamwork culture, 103 respondents (49%) agreed, 37 (18%) were neutral, and 69 (33%) disagreed, resulting in a mean of 2.78 and a standard deviation of 0.969. A mean lower than the composite mean suggested the presence of other factors that respondents did not fully agree with.

For statement (3) on the influence of creative organizational autonomy culture, 105 respondents (51%) agreed, 51 (24%) were neutral, and 53 (25%) disagreed, yielding a mean of 2.72 and a standard deviation of 0.883. A mean lower than the composite mean suggested that the majority of respondents did not believe that this factor determined organizational performance. In statement (4) regarding the influence of a risk-taking ethos culture, 156 respondents (75%) agreed, 26 (12%) were neutral, and 27 (13%) disagreed, resulting in a mean of 4.12 and a standard deviation of 1.182. A mean greater than the composite mean suggested that the majority of respondents agreed with the statement and its impact on organizational performance. Finally, in statement (5) addressing the influence of an employee empowerment culture, 124 respondents (59%) agreed, 27 (13%) were neutral, and 58 (28%) disagreed, with a mean of 2.50 and a standard deviation of 1.097. It was evident that the majority of respondents did not fully agree with this statement.

A composite means of 3.19 greater that 3.0 suggest that majority of the respondents agreed that creative organizational culture strategy has an impact on the performance of corporate insurance company in Kenya. Notably, this was seconded by a study Ngugi et al., (2021) whose emphasis was on the fact that organizational culture includes combination/set of shared beliefs and values such as loyalty, assumptions, honesty, rituals,

diligence, persistent, attitudes, avoiding discrimination, behaviors, characteristics, symbols, habits, philosophies, practices and norms which a firm uses to achieve and gain advantage over other businesses.

Ur Rehman et al. (2019) study in Malaysian SMEs, investigated the mediating effect of culture of innovation and organizational learning between styles of leadership and performance of organizational. In addition, disagreed with the statement by suggesting the need for organizational culture to be incorporated with learning curve that makes viable to achieve a competitive advantage.

4.4.1 Hypothesis Testing

Hypothesis H_{01}: There is no notable correlation between the strategy of fostering a creative organizational culture and the performance of insurance companies in Kenya.

Before testing the first hypothesis, the study demonstrated a correlation analysis-strength of linear relationship between creative organizational culture strategy and organization performance. The results shown in Table 4.4 indicated that there exists a weak insignificant positive correlation between creative organization culture strategy and organizational performance r (207), =.048, p=.489>.05. The results suggest the relationship between the two variables.

Table 4.4 Correlation Results of Influence of Creative Organization Culture Strategy and Organization Performance

Variables		Organization Performance
Creative Organization Culture Strategy	Pearson Correlation	.048
	Sig.(2-tailed)	.489
	N	209

**. Correlation is significant at the 0.01 level (2-tailed)

Consequently, the research conducted a regression analysis to assess the study hypothesis, as outlined in Table 4.5. Initially, ANOVA results revealed negligible alterations in the impact of a creative organizational culture strategy on organizational performance (F(1,207),=.480, P=.489, R^2=.002). The output of the regression

coefficient indicated an insignificant positive effect of a creative organizational culture strategy on organizational performance (B= .030, p=.489). These results led to the acceptance of the null hypothesis, concluding that there is no substantial influence of a creative organizational culture strategy on organizational performance.

Table 4.5: Regression Results of Influence of Creative Organization Culture Strategy and Organization Performance

Model Summary & ANOVA	
R-Square	.002
df	1, 207
F-Statistics	.480
Sig.	.489[b]

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.163	.141		15.335	.000
Creative Organization Culture Strategy	.030	.043	.048	.693	.489

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Creative Organization Culture Strategy

4.5 Influence of Innovation Organization Structure Strategy and Organization Performance

Table 4.6: Influence of Innovation Organization Structure Strategy and Organization Performance Descriptive Results

Innovation Organization Structure Strategy	Agree N (%)	Neither N (%)	Disagree N (%)	Mean	Std Dev
Innovative elaborate job design structure influence organization performance in your workplace at CIC	194(93%)	12(6%)	3(2%)	3.93	.353
Innovative departmentation structure influence organization performance in your workplace at CIC	63(30%)	34(16%)	112(54%)	2.72	.952
Innovative organization delegation structure influence organization performance in your workplace at CIC	122(58%)	11(5%)	76(37%)	3.34	1.325
Innovation span of control structure influence organization performance in your workplace at CIC	149(71%)	12(6%)	48(23%)	2.47	.925
Innovative chain of command structure influence organization performance in your workplace at CIC	93(45%)	76(36%)	40(19%)	3.15	1.003
Composite Mean/SD				**3.122**	**0.9116**

N = Frequency, % = Percentage in brackets

The second aim of the study was to assess respondents' agreement levels with various statements related to the impact of innovation organization structure strategy. Likert scale results, including agree, neither, and disagree, along with means and standard deviations, were presented in Table 4.6. Specifically, data for strongly agree and agree were combined into the category "agree," while data for strongly disagree and disagree were combined into the category "disagree." The study found that means and standard deviations for all the innovation organization structure strategy ranged between 2.47 to 3.93 and standard deviation from 0.925 to 1.003, respectively.

Regarding statement (1) on "Innovative elaborate job design structure influencing organization performance at CIC," out of 210 respondents, 194 (93%) agreed, 12 (6%) were neutral, and 3 (2%) disagreed, with a mean of 3.93 and standard deviation of 0.353. A mean greater than the composite mean suggests that a majority of respondents agreed with the statement and its influence on organization performance. For statement (2) on "Innovative departmentation structure influencing organization performance at CIC," out of 210 respondents, 63

(30%) agreed, 34 (16%) were neutral, and 112 (54%) disagreed, with a mean of 2.72 and standard deviation of 0.952. A mean lower than the composite mean suggests not all respondents fully agreed with the statement.

Statement (3) on "Innovative organization delegation structure influencing organization performance at CIC" found that out of 210 respondents, 122 (58%) agreed, 11 (5%) were neutral, and 76 (37%) disagreed, with a mean of 3.34 and standard deviation 1.325. A mean greater than the composite mean suggests that a majority of respondents agreed with the statement. Statement (4) on "Innovation span of control structure influencing organization performance at CIC" revealed that out of 210 respondents, 149 (71%) agreed, 12 (6%) were neutral, and 48 (23%) disagreed, with a mean of 2.47 and standard deviation 0.925. A mean lower than the composite mean suggests not all respondents fully agreed with the statement.

Finally, statement (5) on "Innovative chain of command structure influencing organization performance at CIC" showed that out of 210 respondents, 93 (45%) agreed, 76 (36%) were neutral, and 40 (19%) disagreed, with a mean of 3.15 and standard deviation of 1.003. The study established that a majority of respondents agreed with the statement and its positive implication on organization performance. The information was supported by studies by Junior Oti-Frimpong et al. (2022) investigated how customer relationship management impacted business performance, with innovation capabilities as a mediating factor. Further, data was gathered from different head of departmental, branch managers and permanent employees of six (6) mobile communication companies within Ghana. In addition, the research utilized multiple line regression analysis and the Structural Equation Model (SEM). Szczepańska-Woszczyna (2018) disagreed with the statement in a study that examined the relationships between the innovativeness of an organization and its selected determinants such as strategy, corporate culture, structure and operational processes. Research was conducted among managers at the top, middle and operational levels of management (companies operating in Poland implementing innovations innovative companies).The relationship between the dimensions of the company's functioning and the degree of its innovativeness was rated on the basis of two measures that upon incorporation with innovation organization structure determines performance.

Mugendi and Karugu (2022) examined how innovation strategies influenced the performance of insurance brokerage companies within county of Nairobi in Kenya. Ideally, the findings of the study disagreed with the statement by noting that innovation of product, innovation of service and innovation of market was significant which positively influenced insurance brokerage firm's performance

4.5.1 Hypothesis Testing

Hypothesis H_{02}: There is no notable correlation between the strategic adoption of an innovative organizational structure and the performance of insurance companies in Kenya. Additionally, the research conducted a correlation analysis to assess the strength of the linear relationship between the adoption of an innovative organizational structure strategy and organizational performance. The findings presented in Table 4.7 indicate a significant and positively moderate correlation between the two variables, with a correlation coefficient of r(207) = 0.232, p = 0.001. These results imply the presence of a moderate linear connection between the adoption of an innovative organizational structure strategy and organizational performance.

Table 4.7 Correlation Results of Influence of Innovation Organization Structure Strategy and Organization Performance

Variables		**Organization Performance**
Innovation Organization Structure Strategy	Pearson Correlation	.232**
	Sig. (2-tailed)	.001
	N	**209**

**. Correlation is significant at the 0.01 level (2-tailed)

The study proceeded to conduct a regression analysis to examine the second hypothesis, with the results presented in Table 4.8. The ANOVA findings reported significant variability in the impact of the innovation organization structure strategy on organization performance (F(1,207) = 11.728, P = .001, R^2 = .054). Notably, the results of the regression coefficients revealed a statistically significant and positive influence of the innovation organization structure strategy on organization performance (B = .180, p = .001). Consequently, the study rejected the null hypothesis, concluding that there is indeed a significant and positive impact of innovation organization structure strategy on organization performance.

Table 4.8: Regression Results of Influence of Innovation Organization Structure and Organization Performance

Model Summary & ANOVA	
R-Square	.002
df	1, 207
F-Statistics	.480
Sig.	.489[b]

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.163	.141		15.335	.000
Innovation Organization Structure Strategy	.030	.043	.048	.693	.489

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Innovation Organization Structure Strategy

4.6 Influence of Innovative Technology Capabilities Strategy and Organization Performance

Table 4.9 Influence of Innovative Technology Capabilities Strategy and Organization Performance Descriptive Results

Innovation Technology Capabilities Strategy	Agree N (%)	Neither N (%)	Disagree N (%)	Mean	Std Dev
Innovative technology learning capability strategies influence organization performance in your workplace at CIC	192(91%)	12(6%)	5(3%)	3.90	.393
Innovative technology development capability strategies influence organization performance in your workplace at CIC	162(77%)	29(14%)	18(19%)	2.21	.920
Innovative technology allocation capability strategies influence organization performance in your workplace at CIC	203(97%)	4(2%)	2(1%)	1.41	.682
Innovative technology adoption capability strategies influence organization performance in your workplace at CIC	167(79%)	21(12%)	18(9%)	2.13	.848
Innovative technology diffusion capability strategies influence organization performance in your workplace at CIC	161(77%)	20(10%)	28(13%)	3.69	.810
Innovative technology scalability capability strategies influence organization performance in your workplace at CIC	171(82%)	25(12%)	13(6%)	2.17	.746
Composite Mean/SD				**2.585**	**0.733**

N = Frequency, % = Percentage in brackets

The study's third objective evaluated respondents' agreement levels with various statements regarding the impact of innovative technology capabilities, strategies, and organizational performance. Likert scale results, encompassing agree, neither, and disagree, along with means and standard deviations, were presented in Table 4.9. Specifically, strongly agree and agree data were combined as agree, while strongly disagree and disagree data

formed disagree. Descriptive results indicated means ranging from 1.41 to 3.90 for all sub-variables and standard deviations between 0.746 and 0.920.

For statement (1) on the influence of innovative technology learning capability strategies on organizational performance at CIC, 192 respondents (91%) agreed, 12 (6%) were neutral, and 5 (3%) disagreed, with a mean of 3.90 and standard deviation 0.393. A mean greater than the composite suggested that the majority agreed.

Regarding statement (2) on the influence of innovative technology development capability strategies on organizational performance, 162 respondents (77%) agreed, 29 (14%) were neutral, and 18 (9%) disagreed, with

a mean of 2.21 and standard deviation 0.920. A mean lower than the composite indicated that the majority did not fully agree.

In statement (3) on the influence of innovative technology allocation capability strategies on organizational performance, 203 respondents (97%) agreed, 4 (2%) were neutral, and 2 (1%) disagreed, with a mean of 1.41 and standard deviation 0.682. A mean lower than the composite suggested not all respondents agreed.

For statement (4) on the influence of innovative technology adoption capability strategies on organizational performance, 167 respondents (79%) agreed, 21 (12%) were neutral, and 18 (9%) disagreed, with a mean of 2.13 and standard deviation 0.848. A mean lower than the composite meant the majority did not fully agree.

Statement (5) on the influence of innovative technology diffusion capability strategies on organizational performance saw 161 respondents (77%) agreeing, 20 (10%) neutral, and 28 (13%) disagreeing, with a mean of 3.69 and standard deviation 0.810. A mean greater than the composite indicated that the majority agreed.

In statement (6) on the influence of innovative technology scalability capability strategies on organizational performance, 171 respondents (82%) agreed, 25 (12%) were neutral, and 13 (6%) disagreed, with a mean of 2.17 and standard deviation 0.746. A mean lower than the composite suggested the majority did not fully agree.

The study drew support from Iranmanesh et al.'s (2021) research, which investigated how the structure of a firm impacts innovation capabilities and the moderating effects of innovation capabilities on the performance of manufacturing firms. Data were collected through a survey of medium and large manufacturers in Malaysia, and the partial least squares technique was used for analysis. Findings revealed that formalization, specialization, and informal social relations positively and significantly influenced innovation capabilities.

4.6.1 Hypothesis Testing

Hypothesis H_{03}: There is no significant relationship between innovative technology capabilities strategy and organization performance of Kenya Insurance Companies.

The third hypotheses of the study aimed to establish the influence of innovation technology capabilities strategy and organization performance. First, the results outlined in Table 4.10 exhibited that there is a significant and positive moderate correlation between Innovation technology capabilities strategy and organization performance $r(207), = .208, p = .003$. The study outcomes depict a moderate linear relationship between the two variables of the study.

Table 4.10 Correlation Results of Influence of Innovation Technology Capabilities Strategy and Organization Performance

Variables		Organization Performance
Innovative Technology Capabilities Strategy	Pearson Correlation	.208**
	Sig. (2 tailed)	.003
	N	209

Concerning regression analysis output as depicted in Table 4.11, the ANOVA results revealed that there exist significant positive changes in the influence of innovative technology capabilities strategy and organization performance $(F, (1,207), = 9.316, p = .003, R^2 = .043)$. Generally, the regression coefficient findings further provided that there is a significant and positive influence of innovative technology capabilities strategy and organization performance $(B = .308, p = .003)$. The regression results, therefore, depicted that the study rejected the null hypothesis and concluded that there is a significant and positive influence of innovative technology capabilities strategy and organization performance.

Table 4.11 Regression Results of Influence of Innovative Technology Capabilities Strategy and Organization Performance

Model Summary & ANOVA	
R-Square	.043
df	1, 207
F-Statistics	9.316
Sig.	.003[b]

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.412	.279		5.064	.000
Innovative Technology Capabilities Strategy	.308	.101	.208	3.052	.003

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Innovative Technology Capabilities Strategy

4.7 Influence of Innovative Customer Relationship Strategy

Table 4.12 Influence of Innovative Customer Relationship Strategy Descriptive Results

Innovation Customer Relationship Strategy	Agree N (%)	Neither N (%)	Disagree N (%)	Mean	Std Dev
Innovative technology learning capability strategies influence organization performance in your workplace at CIC	187(90%)	17(8%)	5(2%)	3.87	.401
Innovative technology development capability strategies influence organization performance in your workplace at CIC	107(51%)	23(11%)	79(38%)	3.26	1.306
Innovative technology allocation capability strategies influence organization performance in your workplace at CIC	130(63%)	53(25%	26(12%)	2.62	1.046
Innovative technology adoption capability strategies influence organization performance in your workplace at CIC	98(47%)	72(34%)	39(19%)	3.17	0.769
Innovative technology diffusion capability strategies influence organization performance in your workplace at CIC	169(81%)	26(12%)	14(7%)	1.95	1.064
Innovative technology scalability capability strategies influence organization performance in your workplace at CIC	150(72%)	40(19%)	19(9%)	2.19	1.093
Composite Mean/SD				**2.84**	**0.9465**

N = Frequency, % = Percentage in brackets

The fourth objective of the study examined respondents' level of agreement with various statements related to influence of innovation customer relationship strategy and organization performance, using Likert scale results included agree, neither, and disagree together with means and standard deviation were presented in Table 4.12. In particular, data for the strongly agree and agree were combined to form agree while data for strongly disagree and disagree were combined to form disagree. The descriptive results reported a means ranges for all sub-variables

from 1.95 to 3.87 and standard deviation between 0.401 to 1.306. In statement (1) innovation technology learning capabilities strategies influence organization performance in your workplace, "out of 209, 187(90%) of the respondents agreed with the statement, 17(8%) of the respondents were neutral and 5(2%) of the respondents disagreed with statement. A mean greater than the composite mean suggest that majority of the respondents agreed with the statement.

Statement (2) "Innovative technology development capability strategies influence organization performance in the workplace at CIC,"out of 209, 107(51%) of the respondents agreed with the statement, 23(11%) of the respondents were neutral and 79(38%) of the respondents disagreed with the statement with a mean of 3.26 and standard deviation 1.306. A mean greater than the composite mean suggest that majority of the respondents agreed with the statement. In statement (3) "Innovative technology allocation capability strategies influence organization performance in your workplace at CIC,"out of 209, 130(63%) of the respondents agreed with the statement, 53(25%) of the respondents were neutral and 39(19%) of the respondents disagreed with a mean of 3.17 and standard deviation 0.769. A mean greater than the composite mean suggest that majority of the respondents agreed with the statement.

In the statement (4) "Innovative technology adoption capability strategies influence organization performance in your workplace at CIC," out of 209, 98(47%) of the respondents agreed with the statement, 72(34%) of the respondents were neutral and 39(19%) of the respondents disagreed with the statement with a mean of 3.17 and standard deviation 0.769. A mean greater than the composite mean suggest that majority of the respondents agreed with the statement. In the statement (5) "Innovative technology diffusion capability strategies influence organization performance in your workplace at CIC," out of 209, 169(81%) of the respondents agreed with the statement, 26(12%) of the respondents were neutral and 14(7%) of the respondents disagreed with the statement with a mean of 1.95 and standard deviation 1.064. A mean lower than the composite mean suggest that not all respondents were fully convinced with the statement and its influence on performance.

Statement (6), "Innovative technology scalability capability strategies influence organizations performance in your workplace at CIC," out of 210, 150(72%) of the respondents agreed with the statement, 40(19%) of the respondents were neutral and 19(9%) of the respondents disagreed with the statement with a mean 2.19 and standard deviation 1.093. A mean lower than the composite mean suggests not all respondents agreed with the statement. In a study done by Kamenjarska et al. (2021) conducted a study on insurance firms within Republic of North Macedonia on how innovative capabilities and types impacted financial performances of insurance companies/firms. In addition, factors that affected degree of innovative strategies were; competitive priorities, innovation efforts, market strategies, internal organizational atmosphere impacted financial performance of insurance firms considering conditions of market.

4.7.1 Hypothesis Testing

Hypothesis H_{04}: There is no major connection between innovative customer relationships strategy and organization performance of Kenyan Insurance Companies.

The fourth and final hypotheses of the study sought to report whether there is no significant relationship between customer relationship strategy and organization performance. A correlation analysis results provided in Table 4.13 of the study demonstrated that there exist adverse (negative) correlation between customer relationship strategy and organization performance $r(207), = -.017, p = .807 > 0.05$. The results confirms that there is no correlation between innovative customer relationship strategy and organization performance.

Table 4.13 Correlation Results of Influence of Customer Relationship Strategy on Organization Performance

Variables		Organization Performance
Innovative Customer Relationship Strategy	Pearson Correlation	-.017
	Sig. (2-tailed)	.807
	N	**209**

**. Correlation is significant at the 0.01 level (2-tailed)

Finally, the regression analysis output in Table 4.14 provides merits for accepting or rejecting the fourth hypothesis of the study. However, the results in the ANOVA output first demonstrated that there is no significant changes in the influence innovative customer relationship strategy on performance $(F(1,207), = .060, p = .807, R^2 = 0.000)$. Furthermore, the regression analysis outcome illustrated that innovative customer relationship strategy have a negative influence on organization performance $(B = -.014, p = .807 > 0.05)$.

Table 4.14 Regression Results of Influence of Institutional Dimension on Community Livelihood

Model Summary & ANOVA	
R-Square	.000
df	1, 207
F-Statistics	.060
Sig.	.807[b]

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.300	.168		13.707	.000
Innovative Customer Relationship Strategy	-.014	.058	-.017	-.244	.807

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Innovative Customer Relationship Strategy

4.8 Organization Performance

The study focused on the dependent variable, which assessed respondents' agreement levels with statements related to organizational performance using Likert scale results. The data, presented in Table 15, included categories of agree, neither, and disagree, with means and standard deviations. Specifically, the strongly agree and agree data were combined into the agree category, while strongly disagree and disagree data formed the disagree category. Descriptive results indicated mean ranges from 1.85 to 3.93 and standard deviations between 0.698 and 1.019 for all sub-variables.

For statement (1) regarding the influence of the annual increase of market share on organization performance at CIC, 94% of the 209 respondents agreed, 4% were neutral, and 2% disagreed. The mean was 3.98 with a standard deviation of 0.347, suggesting strong agreement among respondents.

In statement (2) on the annual increase of profits influencing organization performance, 91% agreed, 3% were neutral, and 6% disagreed. The mean was 1.91 with a standard deviation of 0.698, indicating disagreement among some respondents.

Statement (3) about the annual increase of customer satisfaction influencing organization performance showed that 64% agreed, 14% were neutral, and 22% disagreed. The mean was 2.54 with a standard deviation of 0.888, suggesting the presence of other influencing factors besides the statement.

For statement (4) on the annual increase of growth influencing organization performance, 92% agreed, 2% were neutral, and 6% disagreed. The mean was 1.85 with a standard deviation of 0.737, indicating not all respondents fully agreed with the statement.

In statement (5) concerning the annual increase in customer base influencing organization performance, 74% agreed, 13% were neutral, and 13% disagreed. The mean was 2.01 with a standard deviation of 1.019, suggesting respondents were not entirely in agreement with the statement. Additionally, a study by Thoumrungroje and Racela (2022) explored the innovation and performance implications of client/customer-orientation in various firm strategy types in Thailand. The study involved 395 participating companies, employing multiple-group structural equation modeling and multivariate analyses of variances for hypothesis testing.

Table 4.15 Organization Performance Descriptive Results

	Agree	Neither	Disagree		
Organization Performance	**N (%)**	**N (%)**	**N (%)**	**Mean**	**Std Dev**
Annual increase of market share influence organization performance in your workplace at CIC	197(94%)	8(4%)	4(2%)	3.93	.347
Annual increase of profits influence organization performance in your workplace at CIC	191(91%)	6(3%)	12(6%)	1.91	.698
Annual increase of the Customer satisfaction influence organization performance in your workplace at CIC	134(64%)	30(14%)	45(22%)	2.54	.888
Annual increase of the Growth influence organization performance in your workplace at CIC	192(92%)	4(2%)	13(6%)	1.85	.737
Annual increase of the customer base influence organization performance in your workplace at CIC	154(74%)	28(13%)	27(13%)	2.01	1.019
Composite Mean/SD				**2.448**	**0.7378**

N = Frequency, % = Percentage in brackets

4.9 Joint Influence of Innovation Strategy and Organization Performance

Furthermore, the research presented a synopsis of the combined correlation and regression analyses findings regarding the impact of innovation strategy (including strategies such as a creative organizational culture, an innovative organizational structure, proficient innovation technology capabilities, and an innovative customer relationship) on organizational performance, employing a multiple regression model.

4.8.1 Correlation Analysis

The Bivariate Pearson Correlation output in Table 4.16 indicated that only indicated that only innovative organization structures, $r(204) = .232, p = .001,$ and innovative technology capabilities strategy, $r(204), = .208, p = .003$, variables have a significant and moderately positive correlation with organization performance.

Table 4.16 Innovation Strategy and Organizational Performance Joint Correlation Analysis Results.

Variables		Creative Organizational Culture Strategy	Structure Strategy Innovative Organization	Innovative Customer Relationship Strategy	Innovative Technology Capabilities Strategy	Organization Performance Measures
Creative Organizational Culture Strategy	Correlation	**1**				
	Sig. (2-tailed)					
	N	209				
Innovative Organization Structure Strategy	Correlation	.092				
	Sig. (2 tailed)	.186	1			
	N	209	209			
Innovative Customer Relationship Strategy	Correlation	-.089	-.279**	**1**		
	Sig. (2-tailed)	**.**199	.000			
	N	209	209	209		
Innovative Technology Capabilities Strategy	Correlation	.408**	-.393**	.199**	1	
	Sig (2-tailed)	.000	.000	.004		
	N	209	209	209	209	
Organization Performance Measures	Correlation	.048	.232**	.208	-.017	1
	Sig. (2-tailed)	.489	.001	.003	.807	
	N	209	209	209	209	209

**. Correlation is significant at the 0.01 level (2-tailed)

The results further provided that there is a weak insignificant positive correlation between creative organization culture strategy and organization performance $r(204) = .48, p = .489$. Also, results indicated that there is inverse correlation between innovation technology capabilities strategy and organization performance $r(204), = -.017, p = .807$

4.8.2 Regression Analysis

The study employed a joint regression analysis to present the combined impact of innovation strategy and organizational performance, focusing on Cooperatives Insurance Company (refer to Table 4.17). The established coefficient of determination (R = .370) signifies the correlation between independent variables (creative organizational culture strategy, innovative organizational structure strategy, innovative customer relationship strategy, and innovative technology capabilities strategy) and organizational performance as the dependent variable. With an R-Square of .137, it is revealed that only 13.7% of changes in organizational performance can be explained by innovation strategy (F(4, 204) = 8.107, p < .001, R2 = .137). This suggests the possibility of other dimensions of innovation strategy influencing organizational performance not covered in the study.

Furthermore, the results in Table 4.17 demonstrate that while all independent variables have positive coefficients, only innovative organizational structure strategy and innovative customer relationship strategy show significant values below the 5% level. The study rejects the null hypotheses for both innovative organizational structure strategy (B = .255, p < .001) and innovative customer relationship strategy (B = .435, p < .001), concluding a significant and positive influence on organizational performance. Conversely, for creative organizational culture strategy and innovative technology capabilities strategy, the null hypotheses are accepted, indicating no significant influence on organization performance (B = .017, p = .723 and B = .036, p = .604, respectively).

The findings suggest that, when holding all factors constant, organizational performance would be .095. However, the implementation of innovation strategy contributes only about 1.7% and 3.6% in terms of creative organizational culture strategy and innovative technology capabilities strategy, respectively. Additionally, an enhancement in the execution of innovation strategy would contribute approximately 25.5% and 43.5%

concerning innovative organizational structure strategy and innovative customer relationship strategy on organizational performance, respectively.

Table 4.17 Innovation Strategy and Organization Performance Joint Regression Analysis Results

Model Summary & ANOVA

R	.370[a]
R – Square	.137
df	4, 204
F – Statistics	8.107
Sig.	000[b]

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.095	.419		.228	.820
Creative Organization Culture Strategy	.017	.047	.027	.355	.723
Innovative Organization Structure Strategy	.255	.059	.327	4.347	.000
Innovative Customer Relationship Strategy	.435	.102	.293	4.263	.000
Innovative Technology Capabilities Strategy	.036	.069	.043	.520	.604

a. Dependent Variable: Organization Performance

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter briefly provides the summary of the study results including the findings together with a broad discussion of the findings. The chapter further covers conclusions recommendations of the study, and areas of further research

5.2 Summary

The positive and substantial impact of innovation strategy on organizational performance is evident. The interplay between innovation strategy and performance is influenced by both the size of the firm and the nature of its offerings, be it products or services. Indeed, achieving innovation performance necessitates a crucial alignment between organizational culture and innovation strategy. The study has four objectives namely; to examine how creative organization culture strategy has an influence on organization performance, to establish how innovative organization structure strategy has an influence on organization performance; to investigate how innovative technology capabilities strategy has an influence on organization performance and finally, to assess how innovative customer relationships strategy has an influence on the organization performance.

The summary the findings showed that 113(54.1%) of the respondents were male while 96(45.9%) of the respondents were female. The findings also revealed respondents' specific ranks within the organization. It was evident that 17(8%) of the respondents' level of position was top level managers, 24(11%) of the respondents were in the middle level managers, 41(19%) of the respondents were in the lower level managers and finally, 130(62%) of the respondents were general staff. The study findings also showed respondents number of years worked in the organization, 31(15%) of the respondents worked for less than 5 years, 137(65%) of the respondents worked for 6-10 years, and finally, 41(20%) of the respondents worked for over 10 years. Finally, the study findings revealed that respondents' highest level of education was as follows, certificate level was 21(10.05%) of

the respondents, diploma level was 35(16.75%), degree level was 93(44.5%), master's level was 49(23.4%) and finally, post graduate level was 11(5.3%).

5.3 Discussions

The discussions of the study are based on the four objectives of the research study.

5.3.1 Creative Organization Culture Strategy

Building a creative and innovative organizational culture can be a challenging task, but it is essential for any business to thrive and stay ahead of the competition. The study established the need for building a creative organization culture strategy may take time and effort, but the benefits are well worth it. By prioritizing trust, respect, and psychological safety, encouraging growth and continuous learning, aligning culture with strategy, acknowledging and celebrating wanted cultural elements. It was well seconded by a study by Xanthopoulou et al. (2022) research on Greek public administration was how strong cultures impact organizational performance. The study was focused on the "Competing Values Model (CVM)," examined the influence the strength of the culture and organizational performance. A sample of ninety-two was examined, of which a total of four hundred and twenty-four people responded to an online questionnaire. The findings shows that there was no relationship between culture's strength and an organization's performance and that strong culture values had no significant impact on in the public sector organizational performance.

5.3.2 Innovative Organization Structure Strategy

The second objective of the study was to establish how innovative organization structure strategy has an influence on organization performance of Kenya Insurance Companies. Notably, it constitutes to the existing alignments which relates to the organization, so it can achieve its maximum performance. As a matter of fact, organization innovation have a tendency to improve organization performance by decreasing transaction and administrative costs, enhancing creativity and innovation, and improving the quality of products and services. Szczepańska-Woszczyna (2018) supported a study that investigated the connections between an organization's innovativeness and various factors such as strategy, corporate culture, structure, and operational processes. The research involved

managers at different levels of management (top, middle, and operational) in companies operating in Poland that were implementing innovations. The analysis was based on evaluating the company's innovativeness by assessing whether it was a leader in the industry regarding new products; a higher rating indicated a more innovative company. The relationship between the company's functioning dimensions and its innovativeness degree was assessed using two measures: the Spearman's rank correlation coefficient and the chi-square coefficient.

In summary, innovative organizational structure strategy can improve organizational performance by enhancing creativity and innovation, improving the quality of products and service, and decreasing transactional and administrative costs. The progress of an organization is directly influenced by its structure, and recognizing the significant role that innovation plays in the growth and success of Cooperative Insurance Companies, it is imperative for organizational creation to prioritize innovation. The effectiveness of supervisory relationships and workflow in influencing productivity determines whether organizational structures hinder or promote performance.

5.3.3 Innovative Customer Relationship Strategy

Innovation customer relationship strategy is crucial for the growth and success of insurance companies. The study findings established that innovation customer relationship strategy constitute to the combination of practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle. The goal of the strategy was to have an improvement on customer service relationships, assist in customer retention, and drive sales growth. The findings also established the need of identifying unmet customer needs in a given market and selecting which is unmet needs to target for growth. Thoumrungroje and Racela (2022) conducted a study on innovation and performance implications of clients/customer-orientation within various firm strategy types in Thailand firms. A sample of three hudrend and ninity five companies participated in the survey. Moreover, the multiple-group structural equation modeling and the multivariate analyses of variances were used in hypothesis testing. Further, the research findings revealed that positive, strong,

and significant clients/customer orientation–innovation capabilities link. Moreover, clients/customer orientation and innovative capabilities contributed significantly to financial performance on prospectors.

5.3.4 Innovative Technology Capabilities Strategy

The ability to innovate is crucial for businesses to gain and maintain a competitive edge. The research strongly underscores the importance of developing an innovation strategy that clearly outlines specific goals, aimed at benefiting the organization and achieving a lasting competitive advantage. Strategic use of technology and innovative initiatives is vital for effectively harnessing value from emerging technologies within a company. Additionally, a study by Thoumrungroje and Racela (2022) explored the relationship between innovation, performance, and client/customer orientation across different strategic approaches in Thai firms. A sample of three hundred and ninity five companies participated in the survey. Moreover, the multiple-group structural equation modeling and the multivariate analyses of variances were used in hypothesis testing. Further, the research findings revealed that positive, strong, and significant clients/customer orientation–innovation capabilities link. Moreover, clients/customer orientation and innovative capabilities contributed significantly to financial performance on prospectors.

5.4 Conclusions

Innovation strategy is a critical factor in improving organizational performance and long-term success. According to the study findings, it has significant role in improving productivity, increasing the efficiency of production, enhancing revenue, and increasing the firm's value. However, the innovation strategy may not enable organization to improve its productivity and realize the required organization. Therefore, creating an innovation strategy constitute to the need for creative organization culture strategy, innovative organization structure strategy, innovative customer relationship strategy and innovative technology capabilities strategy which has positive impact in creating value for potential customers, how the company will capture that value. Innovation strategy leads firms to improve their customer performance, internal business processes performance, and learning and growth performance. The study found that market, product, and organization innovations are significant and

important ways to achieve organizational performance. Therefore, organizations should take innovation of any kind to improve performance.

5.5 Recommendations

Based on the findings presented above, the researcher suggests several recommendations. Firstly, embracing a Creative Organizational Culture Strategy is vital for influencing organizational performance significantly. Achieving this involves aligning the organization's culture with its strategy and purpose. The researcher underscores the importance of establishing a robust connection between purpose, strategy, and culture, emphasizing its pivotal role in bringing purpose and strategy to fruition. Consequently, management is advised to ensure that the organization's culture is grounded in strongly held and widely shared beliefs, supported by a well-defined strategy and purpose.

Secondly, adopting an innovative organizational structure strategy is identified as a key driver of growth and a critical factor in gaining a competitive advantage in today's dynamic business environment. Recent studies emphasize the necessity for organizations to embrace innovative approaches to organizing their activities, especially given the increasingly turbulent business landscape.

Thirdly, implementing an innovative customer relationship strategy is highlighted as a positive influencer of organizational performance. Companies are encouraged to concentrate on developing customer-centric strategies that leverage technology and foster long-term relationships with customers. This approach is seen as instrumental in enhancing innovation capabilities, providing a distinct competitive advantage in the market.

Finally, in the realm of innovative technology capabilities strategy, companies are advised to craft a strategy that significantly contributes to achieving sustainable competitive advantage. This involves determining how innovation creates value for potential customers, how the company captures that value, and which types of

innovation to pursue. Such a strategic approach is deemed effective in shaping the company's innovation landscape.

5.6 Areas for Further Studies

This research was confined to a quantitative online survey using a questionnaire, and it had a low response rate. The focus was on a single Cooperative Insurance Company. The study revealed that numerous prior research efforts have highlighted the crucial role of innovation in enhancing organizational performance. However, there is a need to delve into the specific influence of an innovation strategy on organizational performance and its interaction with innovation. The study also highlights the moderating effects of firm size and ownership type on the correlation between innovation strategy and performance. Factors like firm size and the nature of the offering (product or service) play a moderating role in this relationship. Additionally, future investigations could explore how other elements, such as industry type or organizational culture, impact this relationship.

REFERENCES

Aboramadan, M., Albashiti, B., Alharazin, H., & Zaidoune, S. (2019). Organizational culture, innovation and performance: A study from a non-western context. *Journal of Management Development*, *39*(4), 437–451. https://doi.org/10.1108/JMD-06-2019-0253

Adams, K. A., & Lawrence, E. K. (2019). *Research methods, statistics, and applications* (Second edition). Sage.

Bayat, P., Daraei, M., & Rahimikia, A. (2022). Designing of an open innovation model in science and technology parks. *Journal of Innovation and Entrepreneurship*, *11*(1), 4. https://doi.org/10.1186/s13731-022-00203-w

Bell, E., Bryman, A., & Bill, H. (2019). *Business research methods*.

Bernard, N. (2018). *An Assessment of the Slow Rate of Insurance Firms Listing in Nairobi security exchange*. Nairobi University Academic press.

Bigliardi, B., Ferraro, G., Filippelli, S., & Galati, F. (2020). The influence of open innovation on firm performance. *International Journal of Engineering Business Management*, *12*, 184797902096954. https://doi.org/10.1177/1847979020969545

BiL, E., & ÖzdemiR, E. (2021). The effect of technological innovation capabilities on companies' innovation and marketing performance: A field study on Techno park companies in Turkey. *JOURNAL OF LIFE ECONOMICS*, *8*(3), 361–378. https://doi.org/10.15637/jlecon.8.3.08

Bourdeau, S., Bareil, C., & Aubert, B. (2018). Innovation Intensity: From IT Use and Innovative Culture to Organizational Performance. *PACIS 2018 Proceedings*, *22*.

Bryman, A., Bell, E., & Harley, B. (2022). *Business research methods* (Sixth edition). Oxford University Press.

Burkholder, G. J. (Ed.). (2020). *Research design and methods: An applied guide for the scholar-practitioner*. SAGE.

CIC. (2022). *CIC Group*. https://www.cicinsurancegroup.com/

Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches* (Fifth edition). SAGE.

Creswell, J. W., & Plano Clark, V. L. (2018). *Designing and conducting mixed methods research* (Third Edition). SAGE.

Dubey, U. K. B., & Kothari, D. P. (2022). *Research methodology: Techniques and trends* (First edition). Chapman & Hall/CRC Press.

Gathua, R. N. (2018). Innovation Practices and Performance Of Insurance Companies in Kenya. *Master's Thesis, University of Nairobi*.

Ghauri, P. N., Grønhaug, K., & Strange, R. (2020). *Research methods in business studies* (Fifth Edition). Cambridge University Press.

Guerola-Navarro, V., Oltra-Badenes, R., Gil-Gomez, H., & Iturricha Fernández, A. (2021). Customer relationship management (CRM) and Innovation: A qualitative comparative analysis (QCA) in the search for improvements on the firm performance in winery sector. *Technological Forecasting and Social Change*, *169*, 120838. https://doi.org/10.1016/j.techfore.2021.120838

IRA. (2021). *Insurance Industry Annual Report for the Year Ended 31st December, 2021*. Insurance Regulatory Authority.

Iranmanesh, M., Kumar, K. M., Foroughi, B., Mavi, R. K., & Min, N. H. (2021). The impacts of organizational structure on operational performance through innovation capability: Innovative culture as moderator. *Review of Managerial Science*, *15*(7), 1885–1911. https://doi.org/10.1007/s11846-020-00407-y

Junior Oti-Frimpong, Samuel Gyedu, & Francis Ntori. (2022). The Impact of Customer Relationship Management on Business Performance: The Mediating Effect of Innovation Capability. *International Journal of Scientific Research in Computer Science, Engineering and Information Technology*, 183–199. https://doi.org/10.32628/CSEIT228231

Kamenjarska, T., Spremić, M., & Miloloža, I. (2021). The Impact of Innovative Capabilities and Innovation Types on the Financial Performances of Insurance Companies: *International Journal of E-Services and Mobile Applications*, *14*(1), 1–23. https://doi.org/10.4018/IJESMA.289634

Karemu, G., Nyakora, M., Thoronjo, E. M., & Mandere, E. N. (2021). An Investigation of the Influence of Organizational Structure on Performance of Mobile Telephone Network Operators in Kenya. *European Journal of Business and Management Research*, *6*(3), 200–207. https://doi.org/10.24018/ejbmr.2021.6.3.908

Khraim, H. (2022). The influence of technological innovative capabilities on firm performance: Moderating effect of strategic agility. *Problems and Perspectives in Management*, *20*(2), 459–470. https://doi.org/10.21511/ppm.20(2).2022.38

Kothari, C. R., & Garg, G. (2019). *Research methodology: Methods and techniques* (Fourth multi colour edition). New Age International (P) Limited, Publishers.

Kumar, R. (2018). *Research methodology: A step-by-step guide for beginners* (5th edition). SAGE Publications.

Leavy, P. (2017). *Research design: Quantitative, qualitative, mixed methods, arts-based and community-based participatory research approaches*. Guilford Press.

Li, J., Zhou, L., Zhang, X., Chen, Z., & Tian, F. (2018). Technological Configuration Capability, Strategic Flexibility, and Organizational Performance in Chinese High-Tech Organizations. *Sustainability*, *10*(5), 1665. https://doi.org/10.3390/su10051665

Li, X., Shi, C., & Jin, W. (2022). The Influence of Structural Innovation on Organizational Performance from a Dynamic Capability Perspective: An Empirical Study on HEM Enterprises. *Mathematical Problems in Engineering*, *2022*, 1–7. https://doi.org/10.1155/2022/5511053

Mugendi, K. M., & Karugu, J. (2022). Innovation Strategies and Performance of Insurance Brokerage Firms in Nairobi County, Kenya. *Journal of Strategic Management*, *6*(1), 91–109. https://doi.org/10.53819/81018102t5048

Mutegi, F. K. (n.d.). *Role of Innovation Strategy on Insurance Penetration in Kenya*.

Mwangi, G. W. (2021). Influence of innovativeness on organizational performance among insurance companies in Kenya. *International Academic Journal of Human Resource and Business Administration*, *3*(9), 419–433.

Nduati, P. M. (2019). Influence of Strategic Innovation on Performance of Manufacturing Firms in Kenya: A Literature Based Review. *African Journal of Emerging Issues*, *2*(5), 55–66.

Njiru, J. N., & Nya mute, Dr. W. (2018). The Effect of Organizational Structure On Financial Performance Of Commercial State Corporations In Kenya. *International Journal of Finance and Accounting*, *3*(2), 72. https://doi.org/10.47604/ijfa.757

Onono, O. E. (2018). *The Impact Of Organizational Structure On Performance At General Electric Africa*. United States International University-Africa, Master Thesis.

Orlova, L. S. (2020). Open Innovation Theory: Definition, Instruments, and Frameworks. *Strategic Decisions and Risk Management*, *10*(4), 396–409. https://doi.org/10.17747/2618-947X-2019-4-396-409

Privitera, G. J., & Ahlgrim-Delzell, L. (2018). *Research methods for education*. SAGE.

Remler, D. K., & Van Ryzin, G. G. (2022). *Research methods in practice: Strategies for description and causation* (Third edition). SAGE Publishing.

Riany, K. (2021). Organizational Structure and the Performance of State Corporations in Kenya. *European Business & Management*, *7*(6), 206. https://doi.org/10.11648/j.ebm.20210706.17

Schindler, P. S. (2019). *Business research methods* (Thirteen edition). McGraw-Hill/Irwin.

Sekaran, U., & Bougie, R. (2019). *Research methods for business: A skill-building approach* (Eighth edition). John Wiley & Sons, Inc.

Shereefa, Soud., A. M., & Soud., R. A. (2022). Innovation Culture, Competitive Advantage, and Organizational Performance: A Theoretical Perspective. *International Journal of Social Science and Technology*, *7*(2), 1–19.

Si, S., & Chen, H. (2020). A literature review of disruptive innovation: What it is, how it works and where it goes. *Journal of Engineering and Technology Management*, *56*, 101568. https://doi.org/10.1016/j.jengtecman.2020.101568

Strychalska-Rudzewicz, A., & Rudzewicz, A. (2021). The Impact of Organizational Innovativeness on Firm Performance in Poland: The Moderating Role of Innovation Culture. *European Research Studies Journal*, *24*(3), 130–148.

Szczepańska-Woszczyna, K. (2018). Strategy, Corporate Culture, Structure and Operational Processes as the Context for the Innovativeness of an Organization. *Foundations of Management*, *10*(1), 33–44. https://doi.org/10.2478/fman-2018-0004

Tan, W. (2017). *Research methods: A practical guide for students and researchers*. World Scientific.

Terry, O. (2020). Disruption Innovation and Theory. *Journal of Service Science and Management*, *13*(03), 449–458. https://doi.org/10.4236/jssm.2020.133030

Thoumrungroje, A., & Racela, O. C. (2022). Innovation and Performance Implications of Customer-Orientation across Different Business Strategy Types. *Journal of Open Innovation: Technology, Market, and Complexity*, *8*(4), 178. https://doi.org/10.3390/joitmc8040178

Tracy, S. J. (2020). *Qualitative research methods: Collecting evidence, crafting analysis, communicating impact* (Second edition). Wiley-Blackwell.

Tuominen, S., Reijonen, H., Nagy, G., Buratti, A., & Laukkanen, T. (2022). Customer-centric strategy driving innovativeness and business growth in international markets. *International Marketing Review*. https://doi.org/10.1108/IMR-09-2020-0215

Ur Rehman, S., Bhatti, A., & Chaudhry, N. I. (2019). Mediating effect of innovative culture and organizational learning between leadership styles at third-order and organizational performance in Malaysian SMEs. *Journal of Global Entrepreneurship Research*, *9*(1), 36. https://doi.org/10.1186/s40497-019-0159-1

Valmohammadi, C. (2017). Customer relationship management: Innovation and performance. *International Journal of Innovation Science*, *9*(4), 374–395. https://doi.org/10.1108/IJIS-02-2017-0011

Walliman, N. (2018). *Research methods: The basics* (2nd edition). Routledge.

Xanthopoulou, P., Sahinidis, A., & Bakaki, Z. (2022). The Impact of Strong Cultures on Organizational Performance in Public Organizations: The Case of the Greek Public Administration. *Social Sciences*, *11*(10), 486. https://doi.org/10.3390/socsci11100486

Xing, M., Lijun, H., & Yimin, W. (2020). Research on High-end Disruptive Innovation Model Through Cross-industrial. *Innovation in Science and Technology Management*, *37*(11), 11–17. https://doi.org/DOI: 10.6049/kjjbydc.2020030207

APPENDICES

Appendix 1: Questionnaire

This is a questionnaire for collecting data for my master degree in Africa Nazarene University on influence of innovation strategy on organization performance with a focus of Co-Operative Insurance Company Limited. Fill in the spaces as indicated.

Part A: Demographic

1. Gender? a) Male [ ] b) Female [ ]

2. Position held in the organization?

a) TopLevelManagers [ ]
b) Middle Level Managers [ ]
c) Lower Level Managers [ ]
d) General Staff [ ]

……

3. Number of years you worked in the organization?

a) Less than 5 Years [ ]
b) 6-10 Years [ ]
c) Over 10 Years [ ]

……..

4. Highest level of education

a) Certificate [ ] b) Diploma [ ] c) Degree [ ] d) Masters [ ] e) Postgraduate [ ]

Part B: Creative organization culture strategy

5. On a scale of 1 -5 where 5) Strong Agree 4) Agree 3) Neutral, 2) Disagree and 1) strongly Disagree, rate the following statements regarding creative organization culture strategy.

Statements	1	2	3	4	5
Creative organization transparency culture influence organization performance in your workplace at CIC					
Creative organization Teamwork culture influence organization performance in your workplace at CIC					
Creative organization Autonomy culture influence organization performance in your workplace at CIC					
Risk taking ethos culture influence organization performance in your workplace at CIC					
Employee empowering culture influence organization performance in your workplace at CIC					

Creative organization Professional development culture influence organization performance in your workplace at CIC					

Part C: Innovative Organization structure strategy

6. On a scale of 1 -5 where 5) Strong Agree 4) Agree 3) Neutral, 2) Disagree and 1) strongly Disagree, rate the following statements regarding innovative organization structure strategy.

	1	2	3	4	5
Innovative elaborate Job design structure influence organization performance in your workplace at CIC					
Innovative Depart mentation structure influence organization performance in your workplace at CIC					
Innovative organization Delegation structure influence organization performance in your workplace at CIC					
Innovative Span of control structure influence organization performance in your workplace at CIC					
Innovative Chain of command structure influence organization performance in your workplace at CIC					

Part D: Innovative Technology Capabilities Strategy

7. On a scale of 1 -5 where 5) Strong Agree 4) Agree 3) Neutral, 2) Disagree and 1) strongly Disagree, rate the following statements regarding innovative technology capabilities strategy.

	1	2	3	4	5
Innovative technology Learning capability strategies influence organization performance in your workplace at CIC					
Innovative technology Development capability strategies influence organization performance in your workplace at CIC					
Innovative technology Allocation capability strategies influence organization performance in your workplace at CIC					
Innovative technology Adoption capability strategies influence organization performance in your workplace at CIC					
Innovative technology Diffusion capability strategies influence organization performance in your workplace at CIC					
Innovative technology Scalability capability strategies influence organization performance in your workplace at CIC					

Part E: Innovative Customer Relationships Strategy

8. On a scale of 1 -5 where 5) Strong Agree 4) Agree 3) Neutral, 2) Disagree and 1) strongly Disagree, rate the following statements regarding innovative customer relationships Strategy.

	1	2	3	4	5
Innovative customer satisfaction strategies influence organization performance in your workplace at CIC					
Innovative customer Loyalty strategies influence organization performance in your workplace at CIC					
Innovative customer base strategies influence organization performance in your workplace at CIC					
Innovative Customer retention strategies influence organization performance in your workplace at CIC					
Innovative customer attraction strategies influence organization performance in your workplace at CIC					

Part F: Organization performance

8. On a scale of 1 -5 where 5) Strong Agree 4) Agree 3) Neutral, 2) Disagree and 1) strongly Disagree, rate the following statements regarding organization performance.

	1	2	3	4	5
Annual increase of market share influence organization performance in your workplace at CIC					

Annual increase of profits influence organization performance in your workplace at CIC					
Annual increase of the Customer satisfaction influence organization performance in your workplace at CIC					
Annual increase of the Growth influence organization performance in your workplace at CIC					
Annual increase of the customer base influence organization performance in your workplace at CIC					

Appendix II: NACOSTI Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **999020**

Date of Issue: **11/September/2023**

RESEARCH LICENSE



This is to Certify that Ms., Catherine Nkatha Kinoti of Africa Nazarene University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: Innovation strategy and organization performance; a case of cooperative insurance company in Kenya for the period ending : 11/September/2024.

License No: **NACOSTI/P/23/29203**

999020

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

See overleaf for conditions

Appendix III: Research Approvals and Letters

3rd, September, 2023

E-mail: researchwriting.mba.anu@gmail.com

Tel. 0202711213

*Our Ref:*110062189
The Director.
National Commission for Science,
Technology and Innovation (NACOSTI),
P. O. Box 30623, 00100
Nairobi. Kenya.

Dear Sir/Madam:
RE: RESEARCH AUTHORIZATION FOR: CATHERINE NKATHA KINOTI

Ms. Catherine is a postgraduate student at Africa Nazarene University in the Master of Business Administration (MBA) program. In order to complete his program, Ms. Catherine is conducting research entitled: " **Innovation Strategy and Organization Performance: A Case of Cooperatives Insurance Company in Kenya."**

Any assistance offered to her will be highly appreciated.

Yours Faithfully,

DR. Kimani Gichuhi,
MBA, Coordinator,
School of Business,
Africa Nazarene University.

Appendix IV: Map of Study Area

