

# Performance-Driven Practices and Strategic Execution: Examining the Influence of Market Culture on Strategic Plan Implementation in Kenya's Insurance Industry

Mung'athia Samson<sup>1</sup>, Dr. Nganu Margaret<sup>2</sup>, Dr. Nzioki Susan<sup>3</sup>

<sup>1</sup>Postgraduate Student, Machakos University, School of Business, Economics, Hospitality and Tourism Management

<sup>2,3</sup>Lecturer, Machakos University, School of Business, Economics, Hospitality and Tourism Management

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## ABSTRACT

This study examines the impact of market culture on the execution of strategic plans in the insurance industry in Kenya. Grounded on the Competing Values Framework (CVF) model developed by Robert Quinn and John Rohrbaugh (1983), the study explores how core aspects of market culture such as performance orientation, goal achievement, customer centricity and competitiveness influence strategy implementation. Market culture is epitomized by its results-driven approach, strong external focus and a strong emphasis on success through excellent customer service and superior performance. These characteristics are essentially relevant in the insurance industry which is highly regulated and dynamic thus requiring agility and customer service for long-term competitiveness and success. A descriptive research design was adopted, drawing 180 respondents from 30 insurance firms across Kenya. Data was collected using structured questionnaires to capture the perception of the employees on the effect of market culture on strategy execution practices. The collected data was analyzed using descriptive statistics, repeated measures ANOVA, factor analysis, and multiple regression analysis to find out the relationship between the variables and examine the strength of the market culture type. The findings indicated that market culture was the most dominant cultural dimension in the Kenyan insurance industry with a mean score of 4.06, highlighting the sector-wide commitment to competitiveness, productivity, and external positioning. Despite not being a statistically significant predictor strategic plan implementation, market culture contributed hugely to organizational focus, performance discipline, and accountability. The research concludes that market oriented cultural practices remain a crucial enabler of strategy execution, particularly when balanced with collaboration and flexibility. The study recommends that insurance companies develop performance metrics corresponding to strategic goals, entrench customer-focused systems, and incorporate competitive intelligence into strategic planning processes. Such practices would enable firms to translate market driven values into long-term strategic results, strengthening both competitiveness and sustainable success.

**Keywords:** Market culture, Organizational culture, Strategic plan implementation, Insurance industry, Competing Values Framework, Kenya.

## INTRODUCTION

Modern day firms operate in increasingly dynamic, competitive and fast-evolving environments, necessitating strategic flexibility, strong performance and competitive orientations. In this context, organizational culture plays a vital role in determining the efficiency of strategy execution. Among the four cultural types espoused in the Competing Values Framework; market, adhocracy, clan, and hierarchy, market culture stands out for its emphasis on results, external focus, and urge for competitive success (Gong, Jiang & Liang, 2022). The culture prioritizes customer satisfaction, attainment of set targets, and productivity aligning organizations initiatives with measurable and tangible results. In the Kenyan insurance sector, where competition is stiff and customer retention a priority, market culture becomes a vital determinant of strategic efficiency.

In spite of its significance, the connection between market culture and strategy execution remains understudied, especially in the dynamic industries in developing economies like Kenya. Insurance industry players are met

often met with execution gaps despite having well-formulated strategic plans, raising issues about the role of organizational culture in strategy execution success (Courser, 2024). Comprehending whether competitive and results-focused culture enhances or hinders effective strategy execution is crucial for both practitioners and scholars. Thus, this study evaluates how key aspects of market culture; competitiveness, goal-achievement, customer centricity, and performance orientation, influence the implementation of strategic plans in the Kenyan insurance sector. The findings of the study aim to provide deeper insights into how cultural alignment enhances or inhibits strategy implementation in dynamic business environments.

## Background of the Study

Effective execution of strategic plans remains one of the most vital yet challenging elements of organizational success. While many organizations commit considerable amount of resources to developing strategic plans, very few attain their intended targets due to gaps in execution. The conversion of strategic plans into tangible and measurable outcomes calls for not only effective managerial practices but also corroborative organizations behaviors and values. It is within this backdrop that organizational culture becomes essential, as it impacts how employees translate goals, make decisions and participate in shared organizational goals (Varrier, 2025). A well aligned and strong organizational culture provides the seamlessness necessary for successful strategy implementation across departments and levels.

Among the four culture types under the Competing Values Framework (CVF), market culture stresses competitiveness, performance excellence, and goal achievement. It emphasizes customer satisfaction, results, and external positioning; all of which directly impact an firms' capacity to deliver on strategic initiatives (Kim & Jung, 2022). In sectors marked by fast changing market conditions and customer-focused set-ups as is the case with the Kenyan insurance sector, a performance-focused culture can lead to accountability and operational discipline. Market culture inspires employees to set ambiguous targets, pursue efficiency, and measure outcomes; all of which are vital for realizing strategic goals in competitive business environments.

In the Kenyan insurance industry, companies operate in an increasingly dynamic environment characterized by regulatory shifts, changing customer expectations, and technological disruptions. These aspects demand organizational cultures that strike a balance between control and adaptability coupled with innovation and competitiveness. Market culture presents a framework for streamlining internal efforts to attain external success, ensuring that strategic plans are not only well-designed but also efficiently executed (Batule et al., 2025). Comprehending how market culture impacts strategy execution is therefore necessary in closing the gap between strategy planning and implementation, enabling insurance companies to attain long-term performance and sustainable strategic impact.

## THEORETICAL FRAMEWORK

This study is anchored on the Competing Values Framework (CVF) model developed by Quinn and Rohrbaugh in (1983), a widely renown model for categorizing organizational culture. The CVF models opines that every organization operates within a framework defined by two facets; internal vs. external firm focus and stability vs. flexibility (Zen et al., 2021). These interlocking facets produce four different culture types; market, adhocracy, clan, and hierarchy. Each of the four culture types impacts organizational behavior, strategic orientation, and leadership style in a unique way. The model offers a lens through which to examine how organizational values, behavior, and priorities inform performance, adaptability, and strategy execution.

Within this framework, market culture is placed in the control and external focus quadrants, stressing goal achievement, competitiveness, and productivity. Firms with dominant market culture emphasize performance indicators such as market share, profitability, and customer satisfaction (Famarzi, Worm & Ulaga, 2024). Leadership in such set ups tends to results oriented, focusing on set goals, measurable outcomes, and targets. This organizational orientation makes market culture especially relevant to strategic plan execution where successful implementation depends on the ability to convert high-level plans into practical results. By inculcating internal accountability and external awareness, market culture orients firm's energy toward achieving long-term strategic competitiveness.

In the case of Kenyan insurance industry, where companies deal with enormous market competition, evolving consumer needs, and changing regulatory environment, the CVF model presents a comprehensive theoretical bases for evaluating how culture impacts strategy implementation. Market culture supports flexibility in responding to external pressures while maintaining performance discipline within the firm (Kafetzopoulos & Katou, 2024). The model also allows for contrasting across cultural orientations, offering awareness into market-oriented characteristics interact with collaboration and flexibility to shape strategic results. Thus, the CVF model not only informs this study conceptually but also underpins the dynamic balance needed between adaptability, competitiveness, and long-term strategic performance.

## **Problem Statement**

Despite the extensive adoption of strategic planning practices across the Kenyan insurance industry, many firms continuously struggle to translate strategic plans into tangible outcomes. While many of the firms stress performance orientation, competitiveness, and target achievement, these efforts often fail to achieve expected outcomes. One possible reason for this disconnect is the nature and strength of organizational culture; particularly market culture which stresses results, customer focus, and accountability. However, there is little empirical evidence showing how market culture influence or inform the implementation of strategic plans. This study thus seeks to close that gap by evaluating the impact of market culture on strategic plan execution.

## **Research Objective**

To determine the influence of organizational market culture on implementation of strategic plans in the insurance industry in Kenya.

## **Significance of the Study**

The results of this study contribute considerably to the expanding body of research on organizational culture by presenting empirical findings on the role of market culture in influencing strategy execution. By evaluating how customer focus, competitiveness, and performance attributes impacts execution outcomes, the research deepens the theoretical comprehension of the relationship between culture and strategy. Practically, the findings provide the industry players with actionable evidence on how to reconcile performance systems, customer service initiatives, and reward structures with strategic goals. Eventually, the research features how inculcating a strong market culture can strengthen efficiency, accountability, and general organizational effectiveness.

# **LITERATURE REVIEW**

## **Market Culture in the CVF**

Market culture is hugely results-oriented, stressing customer satisfaction, external competitiveness, and continuous innovation. It is based on the belief that the external business environment is highly aggressive, requiring companies to offer superior value to remain relevant in the market place. In market market-oriented organizations leadership focus on performance metrics, accountability, and goal clarity, inspiring employees through challenging but attainable targets (Okoro, 2022). Such practices foster confidence and efficacy within the organization (Boikanyo, 2024). However, obsession with external achievements may risk forfeiting employee welfare and internal cohesion, pointing to the need to strike a balance between productivity and firm's well-being.

## **Market Culture and Strategic Implementation**

Market-focused cultures paly a critical role in ensuring effective strategy execution by fostering a strong focus on performance, results, and external competitiveness. According to Akpa, Asikhia, and Nneji, (2021) such cultures inspire accountability, goal clarity, and clear relationship between organizational and individual goals. Organizations that value customer satisfaction and external alignment often exemplify productivity and superior market responsiveness. Employees in these set-ups are inspired to meet measurable targets as performance-based assessment systems help transform strategic goals into tangible outcomes. This emphasis on measurable

outcomes also strengthens coordination across departments making sure that all efforts are aimed at realizing a firm's strategic goals.

However, while market culture fosters performance orientation, it can also generate potential challenges if not balanced with collaboration and flexibility. Overemphasis on performance may discourage risk-taking, teamwork, and creativity, resulting into short-term focus or employee exhaustion. Obsession with targets may also hamper innovation and knowledge sharing, both of which are critical for sustained strategic performance. Thus, successful strategy execution in market-focused organizations needs a delicate balance between external success and internal cohesiveness. As noted by Gutierrez et al., (2022), firms that adopt a combination of strong performance orientation with adaptive and supportive cultural characteristics are more poised to achieve sustained strategic performance in competitive set ups.

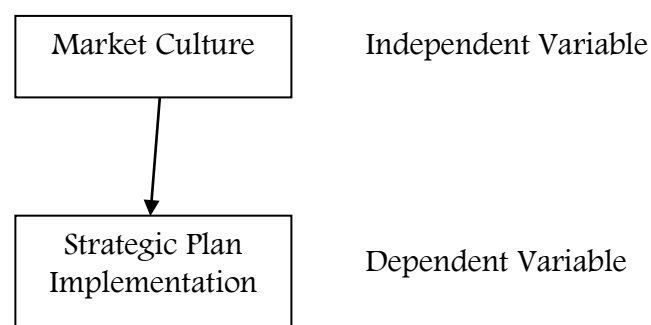
## Empirical Studies

Several studies have evaluated the relationship between organizational culture and strategic plan implementation across sectors and contexts. Kafetzopoulos and Katou (2024) found that market-inclined cultures foster strategic flexibility by ensuring alignment between business processes and market demands. Likewise, Al Maazmi, Abubakar, and Raziq (2024) concluded that market culture had a positive influence on innovation orientation among the SMEs in UAE, particularly when moderated by effectuation. Buhumaid (2022), found out that balanced cultural incorporation is necessary for effective management of Dubai Government Organizations, while Aichouche et al. (2022) that organizational culture was vital for knowledge diffusion and storage. Generally, these findings reiterate the importance of performance-based and externally driven cultures in realizing strategic adaptability and execution efficiency.

In Kenya, several studies uphold the positive role of market culture in strategy execution. Mugo and Namusonge (2023) concluded that all the four cultural elements under CVF had a considerable influence on strategy, with market culture having the strongest influence. Nderitu, Waiganjo and Orwa (2021) found out that goal-achievement and competitiveness influence and impact strategic plan implementation in private universities. Likewise, Ombachi and Deya (2022) found out that competitive organizational cultures lead to better outcomes in commercial banks in Kenya, while Njoroge (2023) underscored that accountability-oriented organizational cultures account for over 60% of variations in strategic plan implementation among state corporations. Conclusively, these studies reiterate the critical role played by market culture in strengthening strategic results across industries.

## Conceptual Framework

The conceptual framework is founded on the premise that market culture; espoused performance-orientation, customer focus, and competitiveness, directly impacts strategy execution results. A strong market culture lines up firm behaviors and systems towards attaining measurable outcomes, inculcating accountability and external responsiveness. When performance targets are clear and customer contentment prioritized, resources are effectively mobilized, and implementation process becomes more refined. The dependent variable, strategy execution, is thus manifested through effective resource alignment, execution efficiency, and goal achievement. This framework shows that the strength of market culture influences the effectiveness of translating strategic goals into actionable and measurable outcomes within organizations.



## METHODOLOGY

### Research Design

This study deployed a descriptive research design to evaluate the relationship between the market culture and strategy execution within the Kenyan insurance sector. The design was suitable as it facilitated methodical collection and analysis of quantitative data without modifying variable, allowing for an unbiased assessment of the prevalent firm dynamics. Through this design, the study gained insightful understanding into how market culture elements such as performance focus, customer orientation, and competitiveness, suffice in practice and impact strategic plan implementation. The design further allowed the use of structured questionnaires and statistical methods to alienate trends, variations, and associations across different industry players, thereby strengthening the validity and reliability of the study.

### Population and Sampling

The target population for the study was all the 59 insurance firms registered and licensed by the Insurance Regulatory Authority (IRA), in both general and life categories. The study applied a multistage sampling technique, where Nassiuma's (2000) sample size determination formula was deployed to arrive at a sample size of 30 insurance firms. Then systematic sampling technique was used to ensure fair representation across firm ownership, specialization, and size thus minimizing selection bias (Dubey & Kothari, 2022). From the 30 firms, six respondents were purposively selected based on their role in strategic planning and execution process, resulting to 180 respondents. The respondents included chief executive officers, human resource managers, finance managers, departmental heads, and strategy officers, offering informed apprehension into the influence of market culture on strategy execution in the Kenyan insurance industry.

### Data Collection

Data was collected through the use of a structured questionnaire designed to evaluate respondent's perception of market culture and strategy execution practices in the Kenyan insurance industry. The data collection instrument included Likert-scale items and open-ended questions, based on the Organizational Culture Assessment Instrument (OCAI) developed by Cameron and Quinn (2011) as well as other relevant strategic management literature. The assessment tool captured key aspects of market culture such as competitiveness, customer orientation, and performance focus, alongside strategy implementation indicators. To ensure comprehensiveness in coverage and reliability of data, the questionnaires were administered to 180 participants drawn from the sampled 30 insurance firms. To maximize response rate and consistency, the questionnaires were distributed both physically and electronically.

### Data Analysis

Analysis of data began with the application of descriptive statistical analysis to summarize and present the dimensions of market culture and elements of strategy execution across the selected insurance companies. Mathematical tools such as frequencies, means, and standard deviations were used to analyze the perceptions of the respondents regarding major market culture aspects such as competitiveness, customer orientation, and market performance. These descriptives presented a highlight of how market-oriented practices are integrated within the Kenyan insurance industry. To ensure reliability and validity, factor analysis was carried out to confirm construct validity, while ANOVA and regression analysis were used to evaluate the linkage between market culture and strategy execution, presenting empirical evidence connecting performance-driven values to effective strategic plan implementation.

## RESULTS

The results of the study revealed that among the four types of culture under CVF, market culture had the highest mean score ( $M = 4.06$ ), indicating that most insurance firms in Kenya lay emphasis on competitiveness, performance excellence, and customer-satisfaction. These findings indicate that most firms within the Kenyan insurance industry operate with an external focus, earnestly attempting to outperform competitors and deliver quality customer service. The popularity of market culture reflects the industry's dynamic and results-oriented



environment, where attaining tangible results and maintaining long term competitive advantage are key priorities. Such an organizational culture fosters accountability, discipline, and continuous performance optimization among the members of an organization.

However, regression analysis results indicated that market culture was a statistically insignificant predictor of strategic plan implementation ( $\beta = 0.024$ ,  $p = 0.525$ ). Despite being statistically insignificant, the culture contributed positively to goal alignment, accountability, and performance monitoring systems. Organizations with stronger market culture enjoyed better alignment between Key Performance Indicators (KPIs) and firm's strategic objectives. These findings allude that while market-focused attributes inculcate performance awareness and clarity of goals, they may not directly deliver consistent strategic execution outcomes. This means that other cultural or contextual factors could be moderating factors in this relationship.

## DISCUSSION

The results of the analysis show that while market culture does not single-handedly predict strategy execution, it forges a strong bases for goal alignment and performance discipline. Its emphases on accountability, competition, and tangible results reinforces organizational push towards attaining results. However, the findings reveal that in the absence of complimentary aspects such as teamwork, innovation and adaptability, market culture may create inflexibility. Therefore, successful strategy execution in the Kenyan insurance industry depends not only achievement orientation but also on organizational culture that fosters flexibility, collaboration, and responsiveness to market dynamics.

These findings were in tandem with previous studies by Chen and Lin (2021) and Agustian et al. (2023), which reiterate that market culture strengthens performance through competitiveness and clear objectives. Nevertheless, the existing studies also caution that excessive obsession with targets and performance metrics can stifle adaptability and impede innovation. Likewise, the current study indicates that while insurance industry players with strong market culture are synonymous with higher performance awareness, they are likely to neglect the human and creative aspects essential for long-term strategic success. Thus, striking a balance between performance drive and agility remains necessary for sustainable execution effectiveness.

For the industry practitioners, the findings emphasize the significance of aligning performance measurement metrics with firm's strategic goals. Leadership should not only fixate on performance excellence but also inculcate agility and continuous learning to remain reactive to the market dynamics. Integrating customer intelligence and feedback loops into strategic plan implementation can strengthen responsiveness, creativity, and innovation. Moreover, incorporating element of supportive subcultures can help moderate the competitive aggressiveness inculcated by market culture, nurturing a more sustainable and holistic approach to strategy execution.

## CONCLUSION AND RECOMMENDATIONS

### Conclusion

The study deduces that market culture plays a critical yet mundane role in strategy execution with the Kenyan insurance industry. By stressing accountability, competitiveness, and performance, market culture cultivates goal alignment and discipline necessary for realizing strategic objectives. However, the results also indicate that market culture alone is inadequate to secure successful strategy execution. When overly relied upon, it can result to rigidity and forfeiture of teamwork and creativity. Thus, firms should incorporate market culture with collaborative cultural elements such as open communication, adaptability, and knowledge sharing to strengthen agility and responsiveness. A well-balanced cultural positioning definitely fosters execution efficiency, strategic coherence, and long-term organizational performance.

### Recommendations

Based on the findings of the study, firms should develop and progressively monitor performance indicators that are directly aligned with their strategic goals. Such alignment ensures that all departments work seamlessly and cohesively towards tangible results. Leadership should also cultivate customer-centered execution approaches

that link performance to customer satisfaction and market responsiveness. However, organizations should take caution not to overemphasize competitiveness at the expense of teamwork and collaboration. Striking a balance between performance orientation and teamwork, flexibility, and learning ensures that firms are able to adapt to the changing environments while retaining accountability and competitiveness. Eventually, inculcating a culture that aligns competitiveness with collaboration enhances both implementation of strategic plans and sustainable organizational growth.

Future studies should examine how market culture relate with digital transformation, leadership styles, and external market dynamics to impact execution of strategic plans. Examining these interrelations would offer a more holistic apprehension of how different environmental and organizational factors influence success of strategic plans. In addition, comparative research across multiple industries would help understand whether the effects of market culture vary between industries, sectors, and regulatory contexts. Longitudinal studies may also present an understanding of how changes in market culture over time influence sustained organizational performance and innovation, presenting deeper awareness for policy makers and practitioners in the insurance and wider business sectors.

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