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AGILE STRATEGIC PLANNING AND ORGANIZATIONAL PERFORMANCE OF INSURANCE COMPANIES IN NAIROBI COUNTY, KENYA.

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ABSTRACT

Agile strategic planning enables rapid adaptation to evolving market innovations and effective resource management to address emerging challenges and opportunities. This approach enhances an organization's ability to thrive, stay resilient, and achieve long-term sustainability. For insurance companies, success hinges on their ability to adjust to shifting risks, market dynamics, and customer demands. However, insurance sector in Kenya continues to struggle with maintaining sustainable performance, particularly in terms of premium growth. This research aimed to assess how agile strategic planning influence the organizational performance of insurance companies in Nairobi County, Kenya. The specific objectives included: innovation agility on organizational performance, and operational agility on organizational performance of insurance companies Nairobi County, Kenya. The study was grounded in survival-based theory, and absorptive capacity theory. A descriptive research design was employed. The target population consisted of 42 insurance companies operating in Nairobi County. The study focused on managers responsible for risk and compliance, marketing and customer experience, finance, and operations within each insurance company. The insurance companies served as the units of analysis, while the managers were the units of observation. The researcher included 4 respondents from each of the 42 insurance companies, resulting in a total study population of 168 respondents. A sample of 61 respondents was obtained from the population of 168 using systematic random sampling. Data analysis utilized both descriptive and inferential methods, aided by Statistical Packages for Social Sciences (SPSS), with findings presented in tables. The pilot study confirmed that the research instrument is valid and reliable for assessing agile strategic planning and organizational performance in insurance companies in Nairobi County, Kenya. The regression analysis confirmed that agile strategic planning significantly influences organizational performance, explaining 80.5% ($R^2 = 0.805$) of the variation in performance. Among the four agility dimensions, operational agility ($B = 0.4995$, $p < 0.000$) had the strongest impact, followed by innovation agility ($B = 0.4123$, $p < 0.000$). The study concludes that firms that integrate operational flexibility, digital transformation, and customer-driven strategies achieve higher efficiency, revenue growth, and market adaptability. However, challenges in real-time resource reallocation and execution of innovation strategies limit the full realization of agility benefits. To enhance performance, firms should invest in automated processes, improve real-time decision-making, and foster a culture of continuous innovation. Additionally, firms should streamline bureaucratic inefficiencies, leverage predictive analytics for resource planning, and strengthen leadership commitment to agility initiatives to ensure long-term sustainability and competitiveness.

Key Words: Agile Strategic Planning, Innovation Agility, Operational Agility, Organizational Performance, Insurance Companies

Background of the Study

Agile strategic planning is driven by the necessity for organizations to swiftly adapt their strategies (Dias & Tenera, 2023). This adaptation is in response to dynamic shifts in market conditions and evolving customer demands. This agile approach is vital for companies to adeptly navigate changing market landscapes consistently monitor market dynamics, and discern emerging trends (Mohammad, 2022). Therefore, it is aimed at ensuring that businesses sustain competitiveness and capitalize on nascent opportunities as they surface. The key components of agile strategic planning comprise innovation agility, and operational agility.

Innovation agility focuses on a proactive and responsive stance toward change, fostering a culture that embraces experimentation and continuous improvement (Arokodare & Falana, 2021). Moreover, operational agility involves the capability to quickly adjust operational processes and workflows in response to changing circumstances or market conditions.

Insurance firms' organizational performance evaluates the adeptness in risk management, financial stability, and sustained growth in a competitive market (Lorenz et al., 2020). This evaluation is based on profitability, underwriting discipline, claims efficiency, customer retention, and adherence to regulatory standards. Therefore, effective firms showcase operational efficiency, robust risk strategies, and innovative products that meet client demands while ensuring sustainable returns. Dias and Tenera (2023) noted that the adaptability to market shifts, technological advancements, and regulatory shifts is pivotal for maintaining long-term performance and stakeholder trust.

Statement of the Problem

Agile strategic planning facilitates swift adaptation to dynamic market innovation and efficient resource utilization to meet evolving challenges and opportunities. Hence, it fortifies the organization's capability to thrive, remain resilient, and be sustainable in the long run. The success of insurance companies depends on their ability to adapt to changing risks, market dynamics, and customer needs. Nonetheless, insurance firms in Kenya continue to grapple with the challenge of attaining sustainable performance, particularly in terms of premium growth. As per the report from the Insurance Regulatory Authority (IRA, 2020), the adoption of insurance in Kenya stands at a modest 2.3%. The National Bureau of Statistics (KNBS) 2023 economic survey indicated that the penetration rate is below the global average of 7.0%. The IRA report 2022 showed that premiums grew at a slower pace of 1.6% in the year 2022 as compared to a growth of 8.9% in 2021. The slow premium growth demonstrates insufficient performance among the insurance companies. Nevertheless, prior research works have not sufficiently handled issue of the agile strategic planning and its influence on the performance of insurance companies in Kenya. Wamburu, Nyambegera, and Kibet (2022) examined the influence of adaptive leadership dimension on the organizational performance of insurance companies in Kenya. The study established that the adaptive leadership dimension influences organizational performance significantly. Mwaniki (2022) assessed the strategic orientation and performance of reinsurance firms in Kenya. The findings showed that entrepreneurial, market orientation and learning orientations influence the reinsurance firms' performance. Zawadi and Omwenga (2023) evaluated the strategic capabilities and performance of insurance firms in Kenya. Results showed a positive, significant relationship between innovation, service quality, technical knowledge, and learning culture strategic capabilities and performance. Moreover, Mwangi and Waithaka (2023) explored the process innovations and performance of insurance companies in Nyeri County. The results demonstrated a positive correlation between process innovations and performance. While the study thoroughly examined process innovations, it inadequately covered innovation aspects related to technology integration and product adaptation. Kibichi (2023) conducted a study on the operational excellence strategy and firm performance of selected insurance companies in Kenya. The findings indicated that

the performance of insurance firms was significantly influenced by a customer-centric strategy, innovation, and development capabilities. The study provides valuable insights into insurance operations and performance, however, the scanty information on process optimization and operational capacity planning as essential components of operational agility represents a notable gap in the research. The proposed study aimed to examine the agile strategic planning and organizational performance of insurance companies.

Objectives of the Study

The primary objective of this study was to assess examine the influence of agile strategic planning on organizational performance of insurance companies.

Specific Objectives

i. To assess the influence of innovation agility on organizational performance of insurance companies in Nairobi County, Kenya.
ii. To establish the influence of operational agility on organizational performance of insurance companies in Nairobi County, Kenya.

LITERATURE REVIEW

Theoretical Review

Survival-based Theory

The Survival-based theory as cited by Muturi (2021) posits that organizations' primary aim is to ensure their survival and enduring presence within their operational environments. This theory suggests that firms prioritize strategies geared towards guaranteeing their ongoing existence amidst various competitive pressures, market instabilities, and environmental fluctuations. It predominantly focuses on attaining competitive advantages or maximizing profits, thus places paramount emphasis on the sustained viability and resilience of organizations over extended periods (Zhou, Yang, & Ethiraj, 2023). It acknowledges that survival acts as a fundamental prerequisite for realizing other strategic objectives, such as expansion, profitability, and attaining leadership positions within markets. Hence, the Survival-based theory underscores the critical significance of adaptability, flexibility, and effective risk management in the processes of strategic decision-making (Dias & Tenera, 2023).

Recognizing the myriad threats and challenges confronting firms, including technological disruptions, competitive dynamics and economic uncertainties, the survival-based theory emphasizes the necessity for proactive strategic approaches to anticipate and counteract risks (Zhou et al., 2023). Moreover, organizations are urged to seize emerging opportunities and fortify their resilience against external shocks. Within the context of innovation agility, the survival-based theory accentuates the critical need for insurance companies to perpetually innovate and tailor their product offerings, services, and operational methodologies to remain pertinent within an evolving industry framework. Through a concerted focus on survival and the cultivation of an innovative ethos, insurance firms can adeptly address emergent customer requisites, technological advancements, thereby securing their endurance over the long term (Dias & Tenera, 2023).

Survival-based theory stresses the indispensability for insurance entities to possess the nimbleness and versatility to promptly recalibrate their operational frameworks, workflows, and resource allocations in light of evolving market dynamics, customer expectations, and competitive exigencies. Through prioritizing survival as a fundamental objective and integrating operational agility into their strategic blueprint, insurance companies can fortify their resilience and adaptability.

Absorptive Capacity Theory

Absorptive capacity theory was formulated by Cohen and Levinthal in 1990. The absorptive capacity theory presents a theoretical construct elucidating how organizations assimilate, exploit, and leverage external knowledge to enhance their operational efficacy. At its core, the theory postulates that organizations possess a finite capability to absorb distinctive knowledge, termed as absorptive capacity (Mohammad, 2022). This capacity comprises two pivotal facets comprising the aptitude to discern the value of incoming information which is knowledge acquisition and the proficiency to effectively utilize this information to generate value, encompassing knowledge assimilation and exploitation. The absorptive capacity theory elucidate why certain organizations excel in harnessing external knowledge compared to others (Riquelme-Medina, Stevenson, Barrales-Molina, & Llorens-Montes, 2022). It suggests that entities endowed with heightened absorptive capacity exhibit superior discernment of valuable external knowledge and demonstrate enhanced abilities to integrate this knowledge into their existing frameworks. Consequently, such organizations experience better performance outcomes.

The absorptive capacity theory offers valuable insights into both value-driven agility and operational agility (Moreno, Coelho, & Pitassi, 2020). Concerning value-driven agility, the theory highlights the crucial role of insurance firms in effectively absorbing and leveraging external knowledge to enhance the value proposition offered to policyholders. By capitalizing on their absorptive capacity, insurance companies can promptly identify emerging customer needs, integrating this external knowledge into their product and services. This could enable them to adapt their solutions according to evolving customer preferences, ensuring tailored insurance products and services that maintain a competitive advantage by continually enhancing the overall value proposition (Riquelme-Medina et al., 2022). Regarding operational agility, the absorptive capacity theory indicates that insurance companies with robust absorptive capabilities are better positioned to optimize their internal processes and operations. Through the effective absorption and application of external knowledge, such as industry best practices and market insights, insurance firms can streamline critical functions like underwriting, claims management, and customer service operations.

Conceptual Framework

The conceptual framework demonstrates the association between study variables. Figure 2.1 illustrates the relationship between innovation agility, and operational agility. The dependent variable in this context is the organizational performance of insurance companies.

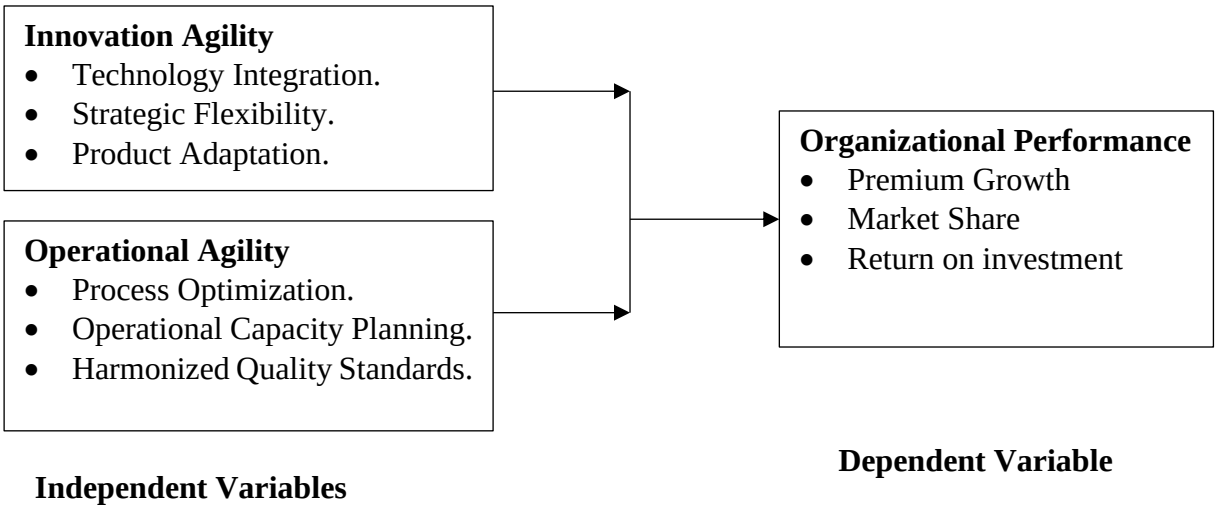

Figure 2. 1:Conceptual Framework

Innovation Agility

Innovation Agility allows organizations to quickly adapt and implement creative ideas, encouraging continuous learning (Weingarth, Hagenschulte, Schmidt, & Balser, 2019). This prioritizes rapid iteration, efficient validation of concepts, and agile development processes to effectively respond to evolving market demands and customer preferences. Embracing flexibility and risk-taking, innovation agility empowers organizations to maintain competitiveness and foster sustainable growth through innovative solutions (Molloy & Ronnie, 2021). Technology integration is crucial for innovation agility, involving the seamless incorporation of cutting-edge technologies into organizational processes and products. This integration allows organizations to leverage technological advancements to enhance efficiency, improve product capabilities, and explore new market opportunities. By staying abreast of technological trends and swiftly adopting relevant innovations, organizations can maintain a competitive edge and meet evolving customer expectations (Albayraktaroglu, 2023).

Strategic Flexibility emphasizes the ability of organizations to adapt quickly to changes in market conditions, customer preferences, and competitive landscapes (Weingarth et al., 2019). This agility enables organizations to pivot strategies, reallocate resources, and explore new avenues for growth or improvement in response to emerging opportunities or challenges. Strategic flexibility ensures that organizations can adjust their course swiftly and effectively, fostering resilience and sustaining long-term success in turbulent business environments (Molloy & Ronnie, 2021). Product Adaptation focuses on the agility to modify and evolve products or services in line with customer feedback, market trends, and technological advancements. This involves iterative development processes, rapid prototyping, and continuous improvement cycles to ensure that products remain relevant, competitive, and aligned with customer needs. By embracing product adaptation, organizations can enhance customer satisfaction, drive innovation, and capture market share more effectively (Albayraktaroglu, 2023).

Operational Agility

Operational Agility allows organizations to quickly adapt their operational processes and procedures to meet changing conditions or demands (Shasha, 2023). It focuses on flexibility, efficiency, and responsiveness in managing workflows and resources to enhance performance and achieve objectives effectively. Promoting adaptability and ongoing improvement enables organizations to effectively navigate challenges and capitalize on opportunities in dynamic environments. Process optimization is fundamental to Operational agility, involving the continuous refinement and improvement of operational workflows (Rahim, Hamsal, & Furinto, 2023). By identifying inefficiencies, eliminating bottlenecks, and streamlining processes, organizations can enhance productivity, reduce costs, and improve overall performance.

Process optimization ensures that operations are agile and adaptable, capable of responding swiftly to changes in market conditions and customer demands (Shasha, 2023). Operational capacity planning focuses on anticipating and aligning operational capabilities with current and future demand levels. This involves forecasting resource requirements, such as manpower, equipment, and facilities, to ensure adequate capacity to meet fluctuating demands while maintaining operational efficiency. Effective capacity planning enables organizations to scale operations efficiently, minimize risks of under or overutilization, and sustain consistent service delivery amidst varying market dynamics (Rahim et al., 2023).

Harmonized quality standards emphasize the establishment of consistent and high-quality operational practices across all functions and departments. Standardization of processes and implementing rigorous quality control measures, ensure reliability, consistency, and customer satisfaction (Weingarth et al., 2019). Harmonized quality standards not only enhance

operational efficiency but also build trust with stakeholders and strengthen competitive positioning in the market.

Organizational Performance

Performance denotes the successful execution and outcomes of activities or tasks, indicating the effectiveness and efficiency of efforts toward achieving goals within an organization (Kholis, 2022). It encompasses measurable results and the quality of execution in delivering desired outcomes. Market share is a critical measure of competitive standing within the industry, indicating the proportion of market sales or policies held compared to rivals. A growing market share suggests effective customer retention and acquisition strategies, demonstrating the firm's ability to expand its client base and outperform competitors (Abdin, Prabantarikso, Fahmy, & Farhan, 2022). Revenue serves as a fundamental indicator of company health, primarily derived from premiums collected. Increasing revenue reflects successful pricing strategies, diverse product offerings meeting customer needs, and broader market penetration. It underscores the firm's capacity to generate income, sustain operations, and potentially invest in innovation or service enhancements. Operational efficiency measures how efficiently resources are used to deliver services such as claims processing and customer support (Kiptoo, Kariuki, & Ocharo, 2021). Improving operational efficiency reduces costs, enhances service delivery speed, and boosts customer satisfaction. This efficiency enables firms to maintain competitive pricing, manage risks effectively, and respond adeptly to market changes.

Empirical Literature

Motum (2022) examined the organizational agility and customer satisfaction among non-life insurance companies in Nairobi City County. The study revealed a moderate positive linear relationship between information technology agility and customer satisfaction. Additionally, linear regression analysis revealed that information technology agility has positive effect on customer satisfaction. The study indicated that through continuous innovation, insurance companies can adequately and timely respond to the customer preferences/demands thus fostering customer satisfaction. Evidently, innovation agility provided control and reduce uncertainty that could lessen customer satisfaction. Mohammad (2022) evaluated the impact of strategic agility on creating competitive advantage: evidence from Jordanian insurance companies. Structural equation modelling (SEM) was used to test the hypotheses of the research. The results of the study show that strategic agility has an impact on competitive advantage.

Kinungi (2023) examined the leadership strategies and performance of insurance companies in Kenya. The study results revealed that shared vision, innovation, organizational structure, technological structure and organizational culture as strategies of leadership largely impacted Kenyan insurance companies' performance. The regression analysis revealed significant and positive relationships between performance and certain leadership strategies in the insurance sector. Specifically, shared vision and organizational structure were found to have positive and significant effects on performance. Notably, organizational culture established a significant and positive impact on the performance of insurance companies in Kenya. Conversely, innovation displayed a positive yet insignificant impact on performance, suggesting the need for further investigation into its potential effects. Technological structure, on the other hand, exhibited a negative and insignificant relationship with performance.

Odhoj and Kariuki (2024) explore the turnaround strategies and performance of insurance firms in Nairobi City County. The study used a cross-sectional descriptive research design. The study targeted management employees from these firms. From the 21 firms, the study targeted 1 top management employees, 2 middle level management employees and 2 lower level management employees from each firm. This implies that the total population form the study was 105

respondents. The study used census method since the target population is small. The study concludes that retrenchment strategy has a positive and significant effect on the performance of insurance firms in Nairobi City County, Kenya. In addition, the study concludes that restructuring strategy has a positive and significant effect on the performance of insurance firms in Nairobi City County.

Ogalloh (2021) assessed the market growth strategies and performance of insurance companies during covid-19 pandemic period in Kenya. The findings revealed that the adoption of market growth strategies improve the performance of the insurance companies in Nairobi Kenya. The study also established that market growth promoted performance in terms of profitability, high customer value, high quality services, smooth operations, increased market share, low costs of operations and increased customer base. The study also found that market development strategies are most critical in enhancing customer base through building customer loyalty. Market development strategies play an important role in building customer base, enhancing the company's smooth operations and increased market share. The results established that market development strategies did not affect the cost of operations of the companies and it helps improved performance of the companies.

Otiso (2020) undertook a study on the effect of technology on the performance of insurance companies in Kenya. The study found that application of technology leads to enhanced performance whereby document management systems is the most widely used technology process (Mean= 4.856). This is probably explained by the fact that all the other processes are premised on document management. Customer management systems, business process management systems and financial management systems were also indicated to be highly used by insurance companies. The analysis of variance indicates that the relationship between applications of technology on performance is statistically significant (P Value is less than 0.05). The conclusion is that increasing application of technology leads to enhanced performance.

Ndei and Ngugi (2022) assessed the digital entrepreneurship and performance of the insurance industry sector in Kenya. The study revealed that technological evolution has a positive and significant influence on performance of insurance companies in Kenya and that digital business processes has a positive and significant influence on performance of insurance companies in Kenya. Further, the study concludes that marketing technology has a positive and significant influence on performance of insurance companies in Kenya and that e-procurement transformation has a positive and significant influence on performance of insurance companies in Kenya. Mulumbi (2021) examined the effects of digitalization on growth of life insurance firms listed in the Nairobi Securities Exchange in Kenya. A descriptive survey research design was adopted. The study established that internal efficiency does not have any effects on life insurance firms' growth. Mueni and Angima (2022) explore the effects of digital adoption on performance of insurance companies in Kenya. The study used descriptive research design and a census approach was adopted to target all the 54 insurance firms in Kenya as at December, 2020. The study established that there is a relationship between digital adoption and performance of insurance firms in Kenya, with digital adoption positively and significantly influencing performance of the insurance firms.

RESEARCH METHODOLOGY

In this study, a descriptive research design was adopted. Descriptive research design is instrumental in describing and summarizing data patterns and characteristics, offering a comprehensive understanding of the subject under study (Rafsanjani, Fitrayati, Andriansyah, Ghofur, & Prakoso, 2022). The target population comprises insurance companies operating in Nairobi County. In the current research, the target population was the 42 licensed insurance companies operating in Nairobi County. The managers comprising risk and compliance, marketing and customer experience, finance, and operations managers from each insurance company were targeted. The insurance companies constituted the unit of analysis and the

managers were the unit of observation. The researcher involved 4 respondents from each of the 42 insurance companies hence the total population of the study was 168 respondents.

In this study, probability sampling was employed, specifically utilizing systematic random sampling to select a sample from the population. Systematic random sampling entails randomly selecting an initial element from a list and then systematically picking every k^{th} element thereafter, ensuring a systematic and unbiased formation of a representative sample from the population. The sample population of 61 Respondents was determined using Creswell's (2013) sample determination formula.

In this study, the chosen instrument is a 5-point Likert scale questionnaire, incorporating close-ended questions to facilitate convenience for the respondents. this study employed the descriptive analysis technique, offering a clear and concise overview of the data through frequencies, percentages, means, and standard deviations. Additionally, the inferential analysis technique were utilized, incorporating correlation analysis and regression analysis. The Statistical Packages for the Sciences (SPSS) version 25 aided in data analysis, and the findings were presented in tables.

RESEARCH FINDINGS AND DISCUSSION

This study targeted 61 respondents from insurance companies in Nairobi County, and 55 successfully completed and returned the questionnaires, yielding a 90.16% response rate. A 90.16% response rate is significantly high, surpassing the 70% benchmark recommended for survey reliability (Dillman et al., 2014).

Descriptive Statistics

This section presents the descriptive statistics for the study variables, including innovation agility, operational agility, and organizational performance. The data collected from the respondents were analyzed using means and standard deviations, which provide insights into how insurance companies in Nairobi County perceive and implement agile strategic planning. The mean (M) represents the average level of agreement with each statement, while the standard deviation (SD) shows the level of variation in responses. A higher mean indicates strong agreement, while a lower standard deviation suggests consistency among responses.

Innovation Agility

The first objective of the study was to assess the influence of innovation agility on organizational performance of insurance companies in Nairobi County, Kenya. Innovation agility examines an organization's ability to adopt new technologies, revise strategies, and remain flexible in innovation-related decisions. Respondents gave their opinions on statements related to innovation agility and Table 1 presents the findings.

Table 4. 1: Descriptive Statistics for Innovation Agility

Statement	Mean (M)	Standard Deviation (SD)
We rapidly integrate new technologies into our processes.	4.224	0.712
Our operational strategies are flexible to accommodate innovation.	4.162	0.749
Technology adoption is a priority in our strategic planning.	4.297	0.702
We frequently revise strategies to leverage new technologies.	4.184	0.764
Strategic flexibility allows us to innovate effectively.	4.112	0.778
Aggregate Score	**4.196**	**0.741**

The data findings in Table 1 shows that firms prioritize innovation within their strategic planning, as reflected in Technology adoption is a priority in our strategic planning (M = 4.297,

SD = 0.702). Many companies integrate emerging technologies to improve their services. We rapidly integrate new technologies into our processes (M = 4.224, SD = 0.712) further supports this observation, demonstrating a strong focus on digital transformation. However, We frequently revise strategies to leverage new technologies (M = 4.184, SD = 0.764) suggests that while firms acknowledge the need for continuous technological updates, some struggle with implementation. Our operational strategies are flexible to accommodate innovation (M = 4.162, SD = 0.749) indicates that firms are making strides in incorporating innovation into their operations, but cultural or structural barriers may hinder the pace. Lastly, Strategic flexibility allows us to innovate effectively (M = 4.112, SD = 0.778), the lowest-rated statement, implies that despite an emphasis on innovation, organizations may face bureaucratic or leadership challenges in executing flexible innovation strategies.

With an aggregate mean of 4.196, the findings align with research by Balog (2020), who argues that firms prioritizing innovation agility are better positioned to navigate industry changes and maintain competitiveness. Furthermore, Yildiz and Aykanat (2021) found that strategic flexibility is critical in leveraging innovation for sustained firm performance. The findings suggest that while technology adoption is a priority, firms must enhance internal processes to maximize innovation effectiveness.

Operational Agility

The second objective of the study was to establish the influence of operational agility on organizational performance of insurance companies in Nairobi County, Kenya. Operational agility assesses an organization's ability to optimize processes, adjust operational capacity, and maintain quality standards efficiently. Respondents gave their level of agreement or disagreement with statements on operational agility. Table 4.7 presents summary of findings obtained.

Table 2: Descriptive Statistics for Operational Agility

Statement	Mean (M)	Standard Deviation (SD)
We continuously optimize processes for efficiency.	4.264	0.739
Our capacity planning adjusts quickly to operational needs.	4.283	0.722
Quality standards are consistently harmonized across operations.	4.239	0.704
Process improvements are regularly implemented to boost agility.	4.152	0.776
Operational processes are regularly refined for better outcomes.	4.321	0.694
Aggregate Score	**4.252**	**0.727**

The results in Table 2 indicate that firms actively refine their operations for efficiency, as reflected in Operational processes are regularly refined for better outcomes (M = 4.321, SD = 0.694). Our capacity planning adjusts quickly to operational needs (M = 4.283, SD = 0.722) suggests that firms attempt to align resource capacity with demand fluctuations. Quality standards are consistently harmonized across operations (M = 4.239, SD = 0.704) highlights that firms maintain standardized operational procedures to ensure service consistency. Lastly, Process improvements are regularly implemented to boost agility (M = 4.152, SD = 0.776), the lowest-rated statement, suggests that although firms recognize the need for ongoing improvements, some may struggle with implementation speed.

With an aggregate mean of 4.252, the findings support research by Rozak et al. (2021), who found that firms with high operational agility can swiftly adjust workflows to meet market

demands. Similarly, Ahmed (2022) emphasizes that agile operational models lead to enhanced service efficiency and customer satisfaction. While most firms actively refine operations, the findings suggest that some may face delays in implementing necessary process changes due to rigid corporate structures.

Organizational Performance

The primary objective of this study was to assess examine the influence of agile strategic planning on organizational performance of insurance companies. This section therefore measures key performance indicators such as revenue growth, efficiency, and market expansion, which are critical outcomes of agile strategic planning. Table 3 presents summary of findings where respondents gave their level of agreement with various statements on organizational performance.

Table 3: Descriptive Statistics for Organizational Performance

Statement	Mean (M)	Standard Deviation (SD)
Our premium growth has consistently increased over the past five years.	4.178	0.741
We have expanded our market share over the past five years.	4.203	0.722
The number of policy holders has increased over the past five years.	4.193	0.754
Our operations are efficient.	4.256	0.710
Our revenue has increased over the past five years.	4.304	0.703
Aggregate Score	**4.227**	**0.726**

The results indicate that financial performance is a key focus for firms, with Our revenue has increased over the past five years (M = 4.304, SD = 0.703) being the highest-rated statement. This suggests that insurance companies have experienced consistent revenue growth, possibly due to their strategic agility. Our operations are efficient (M = 4.256, SD = 0.710) further supports this, showing that firms prioritize operational efficiency. We have expanded our market share over the past five years (M = 4.203, SD = 0.722) suggests that many companies have successfully increased their market presence. However, Premium growth has consistently increased (M = 4.178, SD = 0.741), the lowest-rated statement, indicates that firms face some challenges in maintaining stable premium growth.

With an aggregate mean of 4.227, the findings align with research by Akkaya and Mert (2022), who highlight that agile firms tend to outperform competitors due to their ability to adjust business models rapidly. Additionally, Alipour et al. (2022) emphasize that firms integrating agility into their planning frameworks achieve superior financial outcomes. The findings suggest that while insurance firms benefit from agility-driven strategies, premium growth fluctuations may be influenced by external market factors.

The descriptive analysis highlights that Value-Based Agility (M = 4.279) is well-integrated into decision-making, with customer satisfaction as a key driver. Resource Planning Agility (M = 4.197) aligns with strategic goals, though challenges exist in dynamic resource reallocation. Innovation Agility (M = 4.196) is prioritized, but firms struggle with strategic flexibility in execution. Operational Agility (M = 4.252) is well-practiced, with continuous process optimizations, while Organizational Performance (M = 4.227) remains strong, driven by revenue growth. These findings confirm that agile strategic planning enhances operational efficiency and financial performance. However, descriptive statistics only reveal trends and patterns; they do not establish causal relationships between agility dimensions and organizational performance. To address this, the next section presents inferential analysis,

examining the statistical significance and strength of associations between key variables, offering deeper insights into agility's predictive impact on firm performance.

Correlation Analysis

The study conducted a Pearson correlation analysis to assess the strength and direction of relationships between Value-Based Agility, Resource Planning Agility, Innovation Agility, and Operational Agility with Organizational Performance. Pearson's correlation coefficient (r) ranges from -1 to +1, where strong positive correlations ($r \geq 0.5$) indicate a significant association, suggesting that higher agility levels enhance performance. Moderate correlations ($0.3 \leq r < 0.5$) imply a reasonable connection, though other external factors may also influence outcomes. Weak correlations ($r < 0.3$) suggest limited impact, indicating that agility alone may not drive performance. Negative correlations ($r < 0$) point to an inverse relationship, suggesting that certain agility dimensions, if poorly implemented, may hinder organizational success. This analysis helps determine which aspects of agility contribute most to performance and where strategic improvements are needed.

Table 4: Correlation Matrix

Variables		Organizational Performance	Innovation Agility	Operational Agility
Organizational Performance	Pearson Correlation	1.000		
	Sig. (1-tailed)			
	N	55		
Innovation Agility	Pearson Correlation	0.562*	1.000	
	Sig. (1-tailed)	0.000		
	N	55	55	
Operational Agility	Pearson Correlation	0.611*	0.601	1.000
	Sig. (1-tailed)	0.000	0.173	
	N	55	55	55

Innovation Agility ($r = 0.562$, $p < 0.05$) exhibited a strong positive correlation with Organizational Performance, indicating that firms that embrace technological advancements, automation, and digital transformation tend to achieve higher efficiency and customer satisfaction. These findings align with Yildiz and Aykanat (2021), who confirmed that firms with high levels of innovation agility outperform competitors by maintaining a dynamic and forward-thinking business model.

Operational Agility ($r = 0.611$, $p < 0.05$) had the strongest positive correlation with Organizational Performance, suggesting that organizations with flexible and adaptive operational processes achieve higher efficiency, better resource utilization, and enhanced market responsiveness. This is supported by Rozak et al. (2021), who found that operational agility enhances cost efficiency, process optimization, and customer service, leading to sustained competitive advantages.

Regression Analysis

Regression analysis was conducted to determine the extent to which agile strategic planning dimensions influence organizational performance. The regression coefficients in Table 5 provide insights into the influence of each agility dimension on organizational performance.

Table 5: Regression Coefficients

Variable	Unstandardized B	Std. Error	Standardized B (β)	t-Statistic	Sig. (p-value)
Constant	2.6342	0.564		4.671	0.000
Innovation Agility	0.4123	0.082	0.4123	5.027	0.000
Operational Agility	0.4995	0.069	0.4995	7.238	0.000

Based on the unstandardized regression coefficients, the fitted regression equation predicting organizational performance (Y) from the four agile strategic planning dimensions is:

Organizational Performance = 2.6342 + 0.4123 Innovation Agility + 0.4995 Operational Agility

Innovation Agility (B = 0.4123, p = 0.000) also demonstrated a strong and statistically significant impact on organizational performance. This suggests that firms prioritizing technological advancements, process innovation, and digital transformation gain a competitive edge in efficiency and market competitiveness. These findings align with Yildiz and Aykanat (2021), who found that innovation agility contributes to business sustainability, revenue growth, and adaptability in dynamic market environments.

Operational Agility (B = 0.4995, p = 0.000) had the strongest and most statistically significant impact on organizational performance. The standardized beta (β = 0.4995) suggests that operational agility is the most influential factor in predicting firm success. These findings align with Rozak et al. (2021), who found that firms with flexible, efficient operations achieve superior cost management, process adaptability, and market responsiveness, leading to enhanced financial performance.

Conclusions

The study concludes that innovation agility plays a pivotal role in shaping the competitiveness and adaptability of insurance firms. Organizations that actively integrate new technologies, digital tools, and automation into their operations tend to experience higher efficiency, improved service delivery, and enhanced market positioning. However, despite recognizing the importance of innovation, some firms struggle with execution due to leadership resistance, high costs, and regulatory constraints. To fully leverage innovation agility, firms must foster a culture of continuous learning, invest in scalable technological solutions, and establish clear frameworks for rapid testing and implementation of new innovations.

The study concludes that operational agility is the most significant driver of organizational performance, as it enables firms to respond quickly to changing market conditions, optimize workflow efficiency, and maintain service quality. Many insurance firms have successfully implemented process optimization strategies, adaptive capacity planning, and quality standardization, which enhance their ability to meet fluctuating demands. However, challenges remain in eliminating inefficiencies and overcoming structural rigidity, particularly in larger firms where complex corporate frameworks slow down process adjustments. To sustain high levels of operational agility, firms should focus on automation, implement agile workflow models, and promote cross-functional collaboration to enhance flexibility and responsiveness.

Recommendations

Innovation Agility

To strengthen innovation agility, insurance firms must create a structured framework for rapid technology adoption and encourage a culture of continuous innovation. Many firms recognize

the importance of innovation but struggle with execution due to high costs, regulatory hurdles, and leadership resistance. To overcome these challenges, organizations should set aside dedicated budgets for research and development (R&D), establish cross-functional innovation teams, and form strategic partnerships with fintech and technology firms. Additionally, insurance companies should invest in employee training programs focused on digital literacy and emerging technologies, ensuring that all levels of the organization are equipped to embrace innovation effectively.

Operational Agility

To optimize operational agility, insurance firms should prioritize automation, process optimization, and lean management practices. The study found that while firms actively refine their operations, some struggle with bureaucratic inefficiencies that slow down response times. To address this, organizations should implement agile workflow models, digital process automation, and AI-driven operational analytics to streamline processes and enhance efficiency. Additionally, firms should promote cross-functional collaboration and decentralized decision-making, enabling employees at all levels to make real-time adjustments without waiting for executive approvals. Continuous benchmarking against industry best practices and regular operational audits can further improve agility by identifying and eliminating inefficiencies.

Suggestions for Further Studies

While this study examined the influence of agile strategic planning on organizational performance among insurance firms in Nairobi County, 19.5% of the variation in performance remains unexplained, suggesting the presence of other contributing factors. Future research should explore additional variables such as leadership effectiveness, corporate culture, regulatory influence, and market competition to gain a more comprehensive understanding of agility's impact on firm success. Additionally, longitudinal studies could examine how agility-driven strategies evolve over time, while comparative studies across different industries and geographical regions would provide insights into sector-specific agility dynamics. Further research could also assess the moderating effects of technological advancements and economic conditions on the agility-performance relationship to enhance strategic agility frameworks.

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