

Adhocracy and Adaptability: Driving Strategic Plan Implementation in Kenya's Insurance Industry

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Abstract: This study examines the influence of organizational culture on implementation of strategic plans in the Insurance Industry in Kenya, with a keen focus on adhocracy culture, based on the Competing Values Framework (CVF). Adhocracy culture embodies innovation, adaptability, and flexibility; characteristics necessary for entities operating in highly dynamic environments. While much of the existing literature opines that organizational culture influences implementation of strategic plans, hardly any empirical study has tested this interrelation in an African setting, especially in a highly regulated and dynamic environment such as the Kenyan Insurance Industry. Applying cross-sectional survey data collected from 30 insurance companies and analyzed using regression methods, the output reveals that adhocracy culture is a statistically significant predictor of strategy execution ($\beta = 0.412, p < 0.05$). On the contrary, market, clan, and hierarchy cultures, though popular in the industry, had no statistically significant influence on the success of strategy execution. These findings underscore the vitality of adaptive and innovation-driven organizational set ups in translating strategic plans into actionable results, particularly in highly dynamic and evolving markets where conventional and structured approaches are insufficient. The study advances the discourse in areas of organizational culture and corporate strategy by presenting empirical evidence from a dynamic and highly regulated industry in an underexplored developing economy. The study advances the logic that adaptive organizational cultures driven by innovation are necessary for effectual strategy execution. The study presents practical lessons for policymakers and leaders charged with execution of strategic plans. The study reckons that dynamic cultural attributes hugely enhance strategy implementation in highly dynamic business environments. It makes a recommendation that firms institutionalize innovation processes, set up flexible decision-making systems, and encourage cross-functional collaboration to enhance effective strategy execution.

Keywords: Adhocracy culture, Competing Values Framework, Strategic plan implementation, Innovation, Organizational Culture, Organizational agility, Insurance industry

I. Introduction

Strategic plan implementation is an in-depth and complex process requiring not only resources and management but also an agile organizational culture. In a highly volatile and dynamic market, firms must foster cultures that underpin innovation and embrace change to implement strategies effectively (Sharma, 2024). Such cultures are necessary for organizations to be able to take advantage of emerging opportunities, deal with uncertainties and pivot if need be. Adhocracy culture, which underscore innovation, flexibility, creativity, adaptability, entrepreneurship, and risk-taking, has stood out as a major facilitator of strategy execution.

Adhocracy culture is anchored on innovation, entrepreneurial mindset, and creativity; factors that empower to embrace calculated risks, experiment with new ideas, and rapidly conform to changing market dynamics. The adhocracy cultural dimension inculcates an environment where the firm's employees are encouraged to adopt innovative strategies and approaches to addressing challenges rather than focusing on conventional structures and approaches (Chege, Gichunge & Muema, 2022). Consequently, strategies are not only executed but are also adjusted to address the evolving market realities. By implanting innovation and flexibility into the core of their culture, firms strengthen their strategic agility, making sure that strategic plans remain relevant, impactful, and capable of delivering a sustainable competitive advantage in evolving and uncertain environments.

Empirical evidence across various industries have revealed varying but insightful proof on the role of adhocracy culture in the success of strategy execution. For instance, a study on educational and public institutions (Chandler, 2021; Shahin, Chong & Ojo, 2025) concluded that creativity and flexibility positively impacted the outcome of strategy execution. Similarly, studies carried out in the manufacturing and technology industries (Tiong, 2025; Karneli, 2023) revealed that adhocracy culture nurtures innovation-driven strategy implementation by fostering agility flexibility and decentralized decision-making. Nevertheless, limited data-backed attention has been given to highly regulated, dynamic, and highly regulated contexts as in the case of Kenyan insurance industry. This study thus enriches the empirical evidence by investigating this interrelationship within the Kenyan insurance industry.

Background of the Study

In the modern-day business environment, firms are traversing progressively volatile, uncertain, complex and ambiguous (VUCA) circumstances that need more than contemporary perspectives on strategic management. Strategic plans; once revered as static blueprint for long-term organizational growth, now need progressive adaptation, ingenious thinking, and flexible execution to

remain relevant and effective (Varrier, 2025). Despite notable effort in planning, many firms continue to grapple with converting strategic plans into concrete outcomes, with studies showing that many strategic initiatives flop at the execution stage. This clear gap has shifted the attention and focus of scholars and practitioners from strategy formulation to firm factors that support or inhibit execution.

One such critical factor the organizational culture; the shared beliefs, norms, and values that influence behavior and inform decision-making within a firm. Organizational culture impacts how employees perceive and interpret strategic plans, interact with change programs, and align their priorities with firm objectives. The Competing Values Framework (CVF) model, widely used in analysis organizational culture, identifies four major cultural elements; market, adhocracy, clan, and hierarchy. Each of these cultural dimensions has a unique influence and impact on firm processes (Noone, Lin & Sharma, 2024). However, recent evidence suggests that in highly dynamic and rapidly evolving industries, adhocracy culture plays a specifically consequential role.

Adhocracy culture is exemplified by creativity, risk-taking, innovation, and entrepreneurial thinking. Firms that adopt this cultural dimension are more predisposed to experimenting with new approaches, rapidly adapt to the changes in the business environment, and progressively refine their strategic plans in line with the emerging trends (Franco, Sartor & Rodrigues, 2025). Such nimbleness strengthens strategic agility thus increasing the chances of successful strategy implementation. Empirical findings from this study discloses that among the four cultural types examined, adhocracy culture was the only statistically significant predictor of the success of strategy execution in the insurance industry in Kenya. This underpins the central role of innovation, adaptability, and entrepreneurial thinking in translating strategic initiatives into tangible outcomes. Comprehending how adhocracy cultural type enables strategic plan implementation is therefore necessary for firm's seeking continued competitive advantage and efficient functioning in volatile environments.

Theoretical Framework

The study is grounded on the Competing Values Framework (CVF) developed by Robert Quinn and John Rohrbaugh (1983), one of the most afront models for studying organizational culture and its influence on firm performance. The CVF model groups organizational culture into four distinct cultural elements; market, adhocracy, clan, and hierarchy based on two basic dimensions; internal vs. external firm focus and stability vs. flexibility. Each cultural element influences firm behavior, decision-making, and core focus in a unique way. Within the CVF framework, adhocracy culture lies in the quadrant defined by high flexibility and external focus underscoring creativity, adaptability, innovation and entrepreneurship (Zeb, et al. 2021). Firms with a robust adhocracy culture value experimentation and are open to taking calculated risks in search for new opportunities. Leadership in such organizations seem to be transformational and future-oriented, encouraging autonomy, continuous learning and cross-functional integration. These traits enable organizations to foretell and respond aptly to changes, making them remain relevant particularly in highly dynamic, volatile, and competitive set ups.

In the light of strategy execution, adhocracy culture plays an essential role by nurturing strategic agility; the capacity to rapidly redesign strategies, innovate, and realign resources in in response to shifts and changes in the market. It enables organizations to align their structures and operational processes with dynamic key imperative, thus facilitating the execution of strategic plans that would otherwise be hampered by inflexible hierarchies or obstinacy to change (Guttermann, 2025). By anchoring this study on the CVF model, the study offers a robust theoretical perspective through which the impact of organizational culture; and particularly adhocracy culture, on strategic plan execution can be meticulously analyzed and understood.

Statement of the Problem

Despite concerted effort in developing strategic plans, may insurance firms in Kenya continue to consistently witness a gap between formulation of strategy and its implementation. Inflexible organizational structures, highly structured decision-making procedures, and scanty responsiveness to evolving market demands often hamper successful execution of strategic plans. Whereas organizational culture has been generally recognized as a key enabler of strategy implementation, the definite contribution of adhocracy culture, in rapidly evolving and highly regulated environment like the Kenya's insurance sector remains insufficiently examined. This gap in empirical evidence necessitates an investigation into how adhocracy culture impacts strategic plan execution with the Kenyan insurance sector.

Research Objective

To establish the influence of organizational adhocracy culture on implementation of strategic plans in the insurance industry in Kenya.

Significance of the Study

The results of this study make a substantial contribution to the literature on strategic management and organizational behavior by presenting empirical evidence on the vital role of adhocracy culture in ensuring successful strategy implementation. By accentuating how innovation, entrepreneurial mindset, and flexibility shape the success of strategy implementation, the study reinforces theoretical apprehension of the nexus between culture and strategy. In practice, the findings present actionable insights for industry players and policy makers within the insurance sector and beyond, steering them on how to create adaptive

organizational cultures that foster responsiveness, continuous creativity and innovation, and enhance overall strategic performance in highly dynamic markets.

II. Literature Review

Concept of Adhocracy Culture

Adhocracy culture is underpinned by a strongly entrepreneurial, creative and dynamic culture. It adopts a leadership approach that is visionary, entrepreneurial, and unafraid of challenging status quo (Karneli, 2023). Decision-making is often decentralized to ensure responsiveness to the changing business environment as well as foster empowerment. Strategic plans for organizations with adhocracy culture are founded on the anticipation for continuous change and acquisition of resources and new knowledge. Tiong (2025) observes that by creating an environment where experimentation is welcome and failure treated as part of learning, adhocracy culture bolsters rapid iteration and innovative problem-solving.

The managers of such organizations develop compelling visions that emphasizes new ideas and technologies, adaptability, and flexibility. Eminence is accorded to innovativeness and creativity thus enhancing the prominence of a company's products and services (Shahin, Chong and Ojo, 2025). In such a culture, success is defined by production of unique and value-added products or services. The culture is effective and more suitable in volatile and emerging markets where adaptability offers a strategic advantage. However, as observed by Chandler (2021), the incessant push for innovation and creativity can lead to employee burnout, lack of structure, and instability if not well-balanced with explicit goals and proper support systems. Therefore, while adhocracy culture fuels audacious, future-oriented initiatives, it needs an intentional muzzling to ensure employee well-being and sustain momentum.

Adhocracy Culture and Strategic Plan Implementation

Adhocracy culture plays a major role in mediating the rift between strategy planning and implementation by nurturing adaptability, organizational learning and responsiveness. Firms that espouse creativity and innovation are better placed to forecast market shifts, position themselves to address emerging trends, and make necessary adjustments during execution (Birkinshaw, 2023). This cultural inclination inspires and encourages experimentation and proactiveness in problem-solving, empowering teams to pinpoint obstacles early and align strategies appropriately. Consequently, strategic actions are more likely to remain pertinent and effective in highly dynamic environments.

Additionally, adhocracy driven firms often out-compete their highly rigid peers in transforming strategic visions into tangible and actionable initiatives. Temitope, (2022) observes that the agility embedded in such cultures allows for seamless collaboration, greater support for employees to execute new ideas and faster decision making all the levels of the organization. Such a cultural aspect ensures that strategic plans do not remain theoretical but are diligently executed to deliver actionable and quantifiable outcomes. Also, by adopting risk-taking and innovation, adhocracy culture promotes a mindset geared towards continuous improvement thus ensuring that firms remain competitive and adaptable to the business dynamics. Therefore, developing and fostering adhocracy culture becomes a key priority for firms intent on sustaining success in highly dynamic, complex, and fast-paced markets.

Empirical Evidence

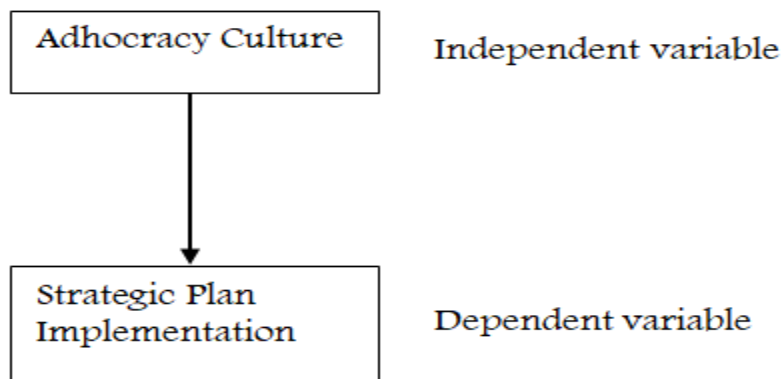
Multiple empirical studies assert the vital role of adhocracy culture in cultivating ingenuity, achievement and strategy execution across various sectors. For example, Zeb et al. (2021) found that both adhocracy and clan cultures certainly had a positive influence on innovation and organizational performance at the Pakistan Electric Power Company. In the study, adhocracy came out as the most statistically significant predictor of performance. Likewise, Mchaizi, Okwemba, and Otsyula (2023) concluded that adhocracy culture had a significant influence on performance of Western Kenya public universities underscoring the need for organizations to foster pro-activity and creativity among their employees. Similarly, Misigo, Were, and Odhiambo (2024) found out that adhocracy culture had a positive influence on the performance of water companies in Kenya, underscoring its importance in fostering innovation and business excellence.

Similar findings were evidenced in the Kenyan financial and services sectors. Mugwika and Kavale (2022) found out that while all the four cultural elements had an impact on performance of commercial banks, adhocracy culture had the highest impact, reiterating its pivotal role in highly dynamic and rapidly evolving business environments. In addition, Chesenge and Njuguna concluded that adhocracy and clan cultures had a significant impact on knowledge management at the Postal Corporation of Kenya, leading to improved learning, adaptability, and agility. Altogether, these studies foreground that fostering adhocracy culture enhances innovation, agility, and continuous improvement; all of which are vital for effective implementation of strategy and long-term performance.

Conceptual Framework

The study is grounded on Competing Values Framework (CVF), a model developed by Quinn and Rohrbaugh (1983), which classifies organizational culture into four types; market, adhocracy, clan, and hierarchy. The model asserts that effectiveness of an organization is depends on predominant cultural values that inform internal processes and external agility. Based on the model, adhocracy culture is typified by creativity, agility and responsiveness to the changes in business environment. Based on the CVF

framework, this paper conceptualizes adhocracy culture as the independent variable impacting strategic plan implementation. The basic assumption is that firms exhibiting strong adhocracy traits are better placed to convert strategic plans into tangible and actionable results. Therefore, the conceptual framework presupposes that adhocracy culture has a positive influence on strategy execution in the Kenyan insurance industry.



III. Methodology

Research Design

The study deployed a descriptive survey design to examine that impact of adhocracy culture on strategy execution in the Kenyan Insurance sector. The design was ideal as it led to an objective analysis of existing organizational circumstances without manipulating variables, resulting to accurate identification of cultural traits and strategic results. The design enabled systematic collection of data through structured questionnaires, presenting a clear picture on how flexibility, adaptability, and innovation impact strategy implementation. The approach is in tandem with prior studies that applied descriptive designs to analyze culture-strategy nexus in highly-evolving organizational set-ups successfully.

Population and Sampling

The target population for the study was all the 59 insurance companies licensed the Insurance Regulatory Authority (IRA), including both life and general insurance service providers. A multistage sampling procedure was adopted with Nassiuma's (2000) sample size determination formula used to arrive at a sample of 30 insurance firms. Systematic sampling was then applied to ensure a fairly representative sample based on the firm size, specialization, and ownership thus minimizing selection bias (Dubey & Kothari, 2022). From each of the 30 firms six participants were purposively selected based on their role in strategic planning and execution, leading to 180 respondents. The respondents included chief executives, finance managers, human resource managers, departmental heads, and clerical staff, ensuring informed view on the influence of adhocracy culture in strategy execution in the Kenyan insurance industry.

Data Collection

Data was collected by use of a structured questionnaire designed to measure participant's perceptions of adhocracy culture and strategic plan implementation initiatives with the Kenyan insurance sector. The questionnaire comprised of both Liker-scale items and open-ended questions informed by the organizational culture assessment instrument (OCAI) developed by Cameron and Quinn in 2011 (Amran & Setyanegara, 2021) and other related strategic management literature. The questionnaires were administered to the 180 participants across the selected 30 firms both physically and electronically to attain high response rate and ensure reliability of data.

Data Analysis

The process of data analysis began with the application of descriptive statistics to summarize and characterize the organizational culture dimensions and levels of strategy execution across the selected insurance companies. Statistical measures such as means, frequencies, and standard deviations provided an overview of the perceptions of the respondents on adhocracy culture including risk-taking, innovation, and adaptability. These descriptive statistics offered insights into understanding of how adhocracy culture had permeated the insurance industry in Kenya. To ensure reliability and validity, factor analysis was carried out to authenticate the structure of the constructs, while ANOVA and regression analysis were deployed to test the interrelationship between adhocracy culture and strategy execution. Regression and ANOVA among other statistical techniques were used to account for potential size effects. Significance levels and effect size were carefully interpreted to address the validity of inferences and to admit the limitations of generalizability. The results presented empirical evidence linking cultural agility, innovation, creativity and flexibility to effective strategy implementation in the insurance industry in Kenya.

IV. Results

The study established that adhocracy culture had a mean score of $M = 3.73$ (on a 5-point Likert scale ranging from 1 = “Strongly Disagree” to 5 = “Strongly Agree”), indicating a moderate yet substantial prevalence of adhocracy culture. This indicates that while adaptability, innovation, and creativity are common among insurance companies in Kenya, they are not yet dominant organizational values.

This shows that while the industry appreciates the need for agility and experimentation, these characteristics are not yet deeply entrenched in all firms. Organizations exhibiting higher degree of adhocracy tended to adopt and adapt to change more rapidly, foster open communication, and vest employees with decision-making powers, thus bolstering overall organizational flexibility and strategic responsiveness unpredictable market situations.

Additionally, regression analysis evidenced that adhocracy culture was statistically significant in predicting effectiveness of strategic plan execution ($\beta = 0.075$, $p = 0.028$). The small magnitude of the beta co-efficient indicates that while adhocracy culture influences strategy execution, other organizational factors may play a stronger role. Therefore, while adhocracy culture is an important determinant of strategic success, it is not the sole determinant. This underscores the vital role played by the adhocracy culture in translating strategic plans into actionable and tangible outcomes. Companies that fostered innovative mindsets and risk-taking tendencies recorded faster decision-making, improved market adaptability, and greater achievement in actualizing strategic initiatives. These findings confirm that adopting adhocracy-centered practices improve firm performance and strategic alignment in the insurance industry in Kenya. However, given that the study was limited to the Kenyan insurance sector, the results may not be generalizable to other sectors or regions with different operational or cultural contexts.

V. Discussion

The results of this study show that adhocracy culture plays a major role in strengthening strategic plan execution by cultivating agility, innovation and proactive problem solving. Firms that nurture creative thinking and experimentation are suitably placed to recalibrate their strategic plans in response to changes in the market conditions, potential threats and emerging markets. Such a culture allows employees to take initiative, experiment, appraise new ideas, and learn continuously leading to improved responsiveness, implementation speed, and overall strategic efficiency in the insurance industry.

These findings are in line with previous research stressing the link between cultural agility and strategy execution. Priyono and Hidayat (2022) highlight that dynamic capabilities; often intertwined within innovative and agile cultures, are vital for effective strategy execution. Likewise, Quansah, Hartz and Salipante (2022) concluded that firms stressing innovation-oriented cultures are likely to outcompete their peers in attaining performance and strategic objectives. The current study broadens these insights to the Kenyan insurance setting, underpinning the practical vitality of adhocracy culture in enhancing strategy implementation.

From a practical point of view, insurance industry players should institutionalize creativity and innovation as a major strategic advantage to sustain responsiveness and competitiveness. This can be attained through conscious deliberate approaches such as cross-functional project teams, rapid feedback channels, and innovation labs that expedite learning and decision-making. In addition, agile governance structures and autonomous decision-making mechanisms can foster flexibility, enabling organizations to realign strategies fast in response to the changing market demands. By inculcating these practices, firms can translate adhocracy culture into a practical driver of strategic success.

VI. Conclusion and Recommendations

Conclusion

The study deduces that adhocracy culture remarkably augments strategic plan execution by fostering agility, innovation, and responsiveness. In the current highly evolving and competitive business environment, adaptability and agility are not optional attributes but rather strategic imperatives. Firms that foster adhocracy values such as experimentation, flexibility, and creativity are better placed to steer through uncertainty and take advantage of the emerging opportunities. By empowering staff to act decisively and think innovatively, such organizations can align their strategic initiatives with the dynamics and changes in the market. Accordingly, cultivating adhocracy culture becomes a major facilitator of effective strategy implementation, long-term competitiveness, and sustained organizational growth.

Recommendations

To bolster strategic plan implementation, firms should intentionally embed creative innovation processes into their strategy development cycles and processes. Such a move ensures that adaptability and creativity are not handled as isolated and peripheral initiatives but as integral aspects of strategic planning and execution. Organizations should foster a culture of experimentation and continuous learning, where staff feel strengthened to experiment new ideas, learn from failure and exchange ideas across departments. In addition, leveling and spreading decision-making structures fosters flexibility by removing bureaucratic delays, while enhancing leadership capabilities that champion and ensure that innovative thinking permeates the entire organization.

In the future, further studies could focus on how digital transformation mediates the relationship between adhocracy and strategy execution. As firms continuously integrate and embed technology into their operations, comprehending how digital systems impact cultural adaptability becomes necessary. Moreover, comparative studies across the industry could offer detailed insights as

to whether impact of adhocracy culture on strategy execution is consistent across industries or deviates based on industry dynamics. Such studies would be necessary for generalization of findings thus contributing to broader theoretical and practical knowledge of the impact of culture on success of strategy execution.

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