Influence of Adaptive Leadership’s Behavior of Self-Leadership on Organizational Performance of Insurance Companies in Kenya

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Abstract
The specific objective of the study was to examine the extent to which adaptive leadership behavior of self-leadership influences organizational performance. The study was guided by the Adaptive Leadership theory. It adopted the positivism philosophy and the descriptive research design. The study population consisted of 311 senior and middle-level managers from 56 licensed insurance companies in Kenya. A Census survey was adopted for this study that used primary data which was collected using a structured questionnaire. Both descriptive and inferential statistics were used in data analysis. Descriptive statistics included the mean and standard deviation, while inferential statistics included the Chi-square test, Analysis of Variance (ANOVA) correlation analysis and multiple regression analysis with results presented in tables and figures. The study found a positive and significant correlation between self-leadership and organizational performance. The study found that self-leadership significantly predicted organizational performance, $\beta = 0.657$, $t (239) = 9.322$, $p <.001$ hence, the study rejected the null hypothesis. The study concluded that self-leadership has a significant influence on organizational performance. The study, therefore, recommends that leaders should demonstrate self-leadership in order to enhance organizational performance.

Keywords: Adaptive Leadership, Self-Leadership, Organizational Performance, Insurance Companies

Introduction
Today’s businesses are operating in a turbulent environment that is volatile, uncertain, complex and ambiguous (VUCA). This environment is increasingly unstable and rapidly changing, and according to Sukoco, Evitha, Hermanto and Herawati (2020), it has further been aggravated by the COVID-19 pandemic that has ravaged economies across the globe posing further leadership challenges (Dunn, 2020). Anuradha and Sujatha (2019) note that the era of globalization, digital transformation, mergers and acquisitions calls for creative leadership, continuous innovation and alignment of organizational strategies in response to the demands of the VUCA environment. Uhl-Bien (2021) and Yukl and Mahsud (2010) note that these increasing complexities and pace of change in the business environment reinforce the need for rapid organizational adaptability and application of flexible and adaptive leadership.

Adaptive leadership requires a leader to gain perspective and see the big picture, provide direction with a clear path toward an organization’s goals (Northouse, 2016) and to differentiate, tackle and solve both adaptive and technical challenges (Heifetz & Laurie, 2001). Regulating distress requires an adaptive leader to have self-leadership, enhanced emotional intellect and stamina (Heifetz, 1994). Self-leadership is a process that individuals use to build intrinsic motivation to influence positive effect and performance in their work goals (Breevaart, 2021).
Bakker, Demerouti, & Derks, 2016) and enables individuals to know how to manage the thoughts and emotions of other people and situations (Neck & Manz, 1996). Self-leadership is important to dynamic environments where change is happening often in unpredictable ways and there are vast amounts of new information to be considered on an ongoing basis (Neck & Houghton, 2006).

McGuinness (2020) poses that leaders need foresight, and the ability to decipher misinformation, as well as environmental and situational awareness to anticipate changes that might engulf their businesses. Doyle (2017) states that adaptive leaders require the following skills to be able to manage in their environments: strategic thinking, organizational knowledge and interdependencies, the ability to regulate personal feelings, comfort with uncertainty and ambiguity, conflict resolution, listening and communication skills. Fernandez and Shaw (2020) identified that leaders should use emotional intelligence and emotional stability in placing other people’s interests above their own. Further, leaders should distribute responsibilities to the network of teams in the organization in order to increase the quality of decision-making (Fernandez & Shaw, 2020). Ohlsson, Alvinius and Larsson (2020) found that a leader could gain organizational adaptability by using structural, emotional and relational smoothness.

Organizational performance is an important indicator of organizational success and an important variable in management research (Stegerean & Gavrea, 2010) which lies at the heart of an organization’s survival (Singh, Darwish, & Potočnik, 2016). Leaders' actions influence different areas of the business (Rowe, Cannella, Rankin, & Gorman, 2005) and they create a vital link between employee performance and organizational performance (Keller, 2006; Purcell, 2003). Ratemo (2018) found that adapting to the changes in the operating environment significantly affects organizational performance while Wamalwa, Upadhyaya, Kamau and McCormick (2019) found that firms adopt an adaptive approach to strategy development to cope with the volatile business environment and grow their market share.

**Statement of the Problem**

The insurance industry in Kenya contributes to the realization of wealth protection as well as high-level savings that will finance investment needs (IRA, 2021). Globally, the insurance industry supported the economy by a contribution of 7.4% to the world’s Gross Domestic Product (GDP) (Swiss Re, 2021). The global direct insurance premiums declined by 1.3% in 2020 which stood at United States Dollar (USD) 6,287 billion (Swiss Re, 2021). Insurance premiums in Africa in 2020 accounted for 1% (USD 60.2 billion) of the world’s insurance premiums which was a 2.9% decline compared to 2019 due to the severe impact of COVID-19 (Swiss Re, 2021). There was reduced growth in Kenya’s GDP in all sectors of the economy by 0.3% compared to 5.0% growth in 2019 due to COVID-19 (KNBS, 2021). The 2020 gross premium in Kenya grew by a nominal 2.3% amounting to Kenya Shillings (KES) 234.78 billion (KES 229.50 billion in 2019) (IRA, 2021). Insurance penetration as a ratio of GDP declined to 2.17% in 2020 (2.34% in 2019) as compared to the world average insurance penetration of 7.4% (IRA, 2021). The insurance density which is the ratio of gross direct insurance premiums to total population had a slight reduction from KES 4,788 in 2019, to KES 4,787 in 2020 (IRA, 2021).

The evidence of several studies points to the need for adaptive leadership within insurance companies in order to navigate the challenging and changing environment. The challenges facing the insurance industry include limited adoption of technological advancement which
affects its growth (Kange, 2020; Kogo & Kimencu, 2018; Owuor, 2018; Strønen, 2020), growth in operational challenges due to legacy systems and business models that are inefficient (AKI, 2021), the lack of innovation and experimentation (AKI, 2021), and stiff competition from non-traditional insurance players including from the telecommunication sector and InsurTechs (Deloitte, 2020). Studies that support the need for adaptive leadership in addressing the challenges point to the need for the adoption of digital transformation (Kogo & Kimencu, 2018; Strønen, 2020), use of mobile phone technology (Owuor, 2018), use of product and market innovation strategies (Kange, 2020; Kogo & Kimencu, 2018; Muriuki&Mutugi, 2017; Owuor, 2018), competitive and cost leadership strategies (Mutembei & Njuguna, 2019) as well as improved e-commerce capabilities, deepening of customer relations and operating leaner and smarter supply chains (Abongo, 2019).

Despite the need for adaptive leadership in today’s organizations, Petrie (2011) points to the lack of leadership development to equip leaders with skills for the nature of challenges experienced in the rapidly changing environment. The reviewed studies on the lack of skills and leadership found the need for leaders to adapt to the changing environment (Ratemo, 2018). Ohlsson et al. (2020) established the need for leaders to use smooth power in order to gain organizational agility. Wong and Chan (2018) found the need to develop an adaptive culture and structure while Meredith and MacDonald (2017) found the need to use an adaptive management approach. Organizations need to develop skills that enable leaders to operate in uncertain environments according to Mugisha and Berg (2017). Bennett et al. (2016) found the need to develop a sense of positive identity, acceptance of uncertainty, effective sense-making, learning agility and relevant leadership practices for uncertain times.

Several studies on different leadership styles and their impact on organizational performance were reviewed including those by Wachaga (2017), Kabogo & Deya (2020), Langat (2019) and Linge and Sikalieh (2019). However, the researcher noted limited research on adaptive leadership generally or adaptive leadership and performance and specifically, in the context of the insurance industry. The current study is therefore informed by the gap in studies on adaptive leadership or on the influence of adaptive leadership on performance as well as studies recommending further research using other leadership theories (Lumbasi, Kaol, & Ouma, 2016; Njeru, 2018).

**Objective of the Study**
The specific objective of this study was to determine the influence of adaptive leadership’s behavior of self-leadership on the organizational performance of insurance companies in Kenya.

**Literature Review**
This section focuses on the theory supporting the study, the conceptual model and related empirical research.

**Theoretical Review**
This study was anchored on the adaptive leadership theory which is defined by Heifetz (1994) as a leadership style that helps deal with adaptive challenges in groups, organizations, or societies. Adaptive leadership involves mobilizing people to tackle tough challenges in order to thrive Heifetz, Grashow and Linsky (2009). According to Northouse (2016), adaptive leadership refers to how leaders encourage people to adapt in regards to how they face and deal with problems and challenges in changing environments. Adaptive leadership also points to the leaders’ activities in relation to followers’ work in the contexts they operate in. Yukl and
Mahsud (2010) defined adaptive leadership as changing behavior appropriately in line with the changing situation. Wolinski (2010) defines adaptive leadership as a practice of influencing change that enables individuals and organizations to develop new strategies and capabilities for addressing the challenges they encounter hence, achieve the strategic vision and goals.

Adaptive leadership includes adaptive work and leadership behaviors of getting on the balcony, identifying technical and adaptive challenges, regulating the distress, giving the work back to the people, maintaining disciplined attention and protecting leadership voices from below (Northouse, 2016). Adaptive leaders demonstrate self-leadership, enhanced emotional intellect and stamina, sensitivity to the diversity of followers and communicate confidence to be able to influence followers to tackle and solve adaptive challenges (Heifetz & Laurie, 2001). This is because such leaders set the pace for the organization and are seen as role models by followers who look up to them. An adaptive leader engages followers in inclusive dialogue that progresses them towards resolving and delivering their work and ultimately, the organization’s objectives (Heifetz, 1994).

**Conceptual Review**
The conceptual framework in Figure 1 below shows how self-leadership and its indicators are linked to organizational performance with its indicators.

![Figure 1: Conceptual Framework](image)

Manz (2015) notes that self-leadership is a process that individuals use to influence and control personal behavior, cognition and motivation through behavior-focused strategies, constructive thought pattern strategies and natural reward strategies (Neck & Houghton, 2006). Behavior-focused strategies of self-leadership refer to self-observation, self-goal setting, self-reward and self-cueing (Neck & Houghton, 2006). Constructive thought pattern strategies enable individuals to question beliefs and assumptions, self-dialog and visualize successful performance. Natural reward strategies focus on the search and promotion of pleasant experiences that develop pleasant and enjoyable feelings that build intrinsic motivation (Neck & Houghton, 2006). Self-leadership improves an individual’s awareness of the environment, increases their motivation to engage in situational assessment and decision-making, and develops the capacity to perform complex tasks requiring adaptation (Neck & Manz, 1996). Self-leadership which is positively related to performance (Panagopoulos & Ogilvie, 2015) has been operationalized in this study through the dimensions of emotional intelligence, communication and workplace diversity.

**Emotional Intelligence**
Emotional intelligence is the ability of an individual to know themselves, and their personal strengths, weaknesses and limitations based on personal worth and dignity (Nelson & Low, 2011). Emotional intelligence refers to an individual’s set of interrelated abilities that enables
them to deal with emotions (Wong & Law 2002), to accurately perceive, appraise and express emotion, to understand and regulate emotions and emotional knowledge, to promote emotional and intellectual growth and to generate feelings when thought is facilitated (Mayer & Salovey, 1990).

Self-managing leaders handle their own emotions and behaviors by remaining calm during provocative or conflicting situations, and keeping defensiveness to a minimum while creating a safe environment where issues can be discussed openly (Xavier, 2005). Leaders who are self-aware consider constructive criticism, acknowledge their weaknesses and emotions, and are aware of the impact they have on the workplace environment as compared to those with low self-awareness who view constructive criticism negatively (Xavier, 2005). Pradhan et al. (2017) found that executives with a high level of emotional intelligence have a strong relationship between organizational learning and performance as opposed to those with low levels of emotional intelligence.

Emotional intelligence comprises aspects of self-awareness and self-management which relate to one’s personal competence, while social awareness and relationship management are associated with external competence (Xavier, 2005). Agarwal and Singh (2020) and Wangari, Gichuhi and Macharia (2019) found a significant relationship between emotional intelligence through its dimensions of self-awareness, self-management, social awareness, relationship management and organizational performance. Wong and Law (2002) note that social interactions require emotional awareness and emotional regulation. This helps build team relations within the organization. A study by Rezvani, Barrett and Khosravi (2019) in Australia showed that team emotional intelligence is positively related to team performance and that emotional intelligence was positively related to trust in the team.

Emotional intelligence impacts organizational performance. Xavier (2005) states that emotional intelligence leads to tangible and intangible results. Tangible results include higher profits, decreased overhead and better employee retention arising from hard work and effort. Intangible results include higher employee motivation, higher morale and organizational commitment arising from positive emotions in the work environment. Xavier (2005) noted that negative emotions lead to dissonance within the organization which decreases performance. The study in Pakistan by Zia-ur-Rehman and Zia (2020) supports this argument as it found that emotional intelligence competencies had a significant impact on corporate leadership and ultimately, organizational performance.

Communication
Communication is viewed as the process by which a sender transmits a message to a receiver who in turn, translates, interprets and acts on the message (Ruben & Stewart, 2016). Further, communication is a process through which the social fabric of relationships, groups, organizations, societies and the world is created and maintained. Zerfass, Vercic and Wiesenberger (2016) view leadership communication as change leadership. Further, it is the ability to create an innovative environment within social relations that shapes new ideas and meanings, and develops technologies, products, services and processes.

The role of communication of the company mission and organizational values on performance was studied by Dermol and Širca (2018) in Slovenia who found positive connections between communication and the existence of company mission and organizational values on non-financial aspects of company performance. Communication was also found to have a significant effect on organizational performance in studies by Arab and Muneeb (2019),
Haroorn and Malik (2018), Kahunyo, and Waithaka (2019) and Musheke and Phiri (2021). Other aspects of communication that had a significant effect on organizational performance included in the flow of communication (Arab & Muneeb, 2019) and the channel of communication (Musheke & Phiri, 2021).

Internal communication focuses on the organization as a system that follows a structural approach to communication within the organization (Steyn & Puth, 2000). Angela-Eliza and Valentina (2018) pose that internal communication is an indispensable tool for business that enables leaders to create an optimal climate for doing business and to develop communication techniques for effective strategy and change implementation. Further, communication enables the leader to reflect the image of the organization to collaborators, target audiences and the general public. Kimathi and Kinyua (2021) investigated the role of corporate communication using the measures of staff communication, shareholders’ communication and communication to the general public on performance and found that corporate communication had a 43.3% variation on organizational performance and significantly influenced performance.

Internal organizational communication can be verbal or non-verbal and it serves two objectives: firstly, to communicate, assign tasks to the workforce and communicate about policies and procedures, and secondly, to create a community within the organization, including managing or limiting misunderstandings, conflicts and rumors (De Ridder, 2004). Barrett (2006) notes that effective internal communication enables leaders to motivate employees and provides direction in order to achieve their organizational vision. Yildirim (2014) argues that effective communication contributes implicitly to the overall organizational performance, while Borca and Baesua (2014) state that internal organizational communication impacts organizational commitment, performance and organizational citizenship behaviors. It is therefore important that leaders establish a well-defined and continuous channel of communication with employees in order to increase loyalty, employee satisfaction and make them feel valued by the organization (Khan, 2013). Barrett (2006) notes that leaders require skills including emotional intelligence, employee relations, change communication, media relations, crisis communication, image and reputation management.

**Workforce Diversity**

Increasing globalization is driving the need for diversity within organizations with employees coming from different backgrounds, nationalities, ethnicity, skills, abilities, personalities and knowledge (Van Knippenberg & Schippers, 2007). Draft and Marcic (2008) refer to diversity as the manner in which employees differ, while Mathis and Jackson (2000) view diversity as differences that exist within groups. Several studies have found varied relationships between workforce diversity and performance. Farmanesh, Vehbi, Zargar, Sousan and Bhatti (2020) found a positive and significant relationship between workforce diversity and performance. Kerga and Asefa (2018) found that workforce diversity had a high positive correlation with employee performance using the measures of age, gender, ethnicity, education, work experience and marital status. Mazibuko and Govender (2017) found that promoting diversity is significantly related to performance improvement in regards to driving transformation, increased previously disadvantaged individuals, and cultural diversity and gender-sensitive.

According to Rijamampianina and Carmichael (2005) diversity includes primary, secondary and tertiary dimensions. The primary dimensions are age, gender, race, ethnicity and disability. The secondary dimension includes culture, religion, lifestyle, thinking styles, sexual
orientation, economic status, religion and work experience. The tertiary dimension includes beliefs, feelings, values, group norms, attitudes and perceptions. Ersty, Griffin and Hirsch (1995) note the need to acknowledge, accept, understand and value differences among individuals. In studies on the dimensions of diversity, Anyango and Oluoch (2019) found that gender was positively related to organizational performance. However, Moon and Christensen (2020) found that bio demographics (gender, race and age) are not significantly related to organizational performance. Their study also found that job-related diversity, through its measure of tenure diversity, has a significant and positive relationship with performance while functional diversity has a significant but negative relationship with performance. Other dimensions of education, religion and ethnicity were found not to have a significant relationship with organizational performance (Anyango & Oluoch, 2019).

Diversity management refers to the leaders’ role to achieve organizational success by making the best use of the similarities and differences among their employees (Ugwuzor, 2014). Mugwe and Mose (2020) sought to identify the effects of diversity management on organizational performance. The correlation results showed that diversity management has a positive and significant relationship with organizational performance through its variables of creativity and innovation, employee commitment, corporate image and human capital pool. In refuting this finding, Showkat and Misra (2021) did not find a significant relationship between diversity management and organizational performance. Kundu and Mor (2017) found that irrespective of employees’ backgrounds, they acknowledged diversity and diversity management. Mazibuko and Govender (2017) had contrary findings in that the perceptions of management and staff on diversity did not have a significant relationship with organizational effectiveness.

Steele and Derven (2015) found that when leaders are inclusive and support diverse ideas from the wide spectrum of talent in their organizations, people with different characteristics feel accepted, respected and valued and leaders can influence innovation in products, services and business solutions. Chuang (2013) notes that for leaders to manage a diverse workforce effectively, they need skills including self-awareness, self-assurance, communication skills, appreciation of individual uniqueness, understanding of cultural stereotypes and a focus on similarities rather than differences in a multicultural environment. Mazibuko and Govender (2017) support the argument as their study found that leadership diversity has a strong influence on organizational performance and effectiveness considering the significance of diverse programs, gender, or discrimination.

Robinson (2002) notes that diversity is an asset that needs to be embraced in organizations due to its potential to yield retention and attraction of qualified workers, greater work productivity and improved decision making by rendering a variety of perspectives in resolving problems. Further, a close and continuous focus on workforce diversity can contribute to the creation of competitive advantage. Leaders are required to adopt a multi-faceted approach by aligning diversity with the organizational mission and integrating it into the overall plans and strategies (Ewoh, 2013). Brown (2008) adds that when organizations view diversity as part of their key strategy, they benefit from cost reduction in attrition and increased volumes. Kundu, Mor, Bansal and Kumar (2019) found that diversity-focused human resource practices which were measured using recruitment and selection, training and development, performance appraisal, and compensation had a positive association with perceived firm performance.
Research Methodology
This study adopted the positivism approach as it is a quantitative study that seeks to find the truth in scientific research by seeking to understand the laws of cause and effect based on directly observable and measurable phenomena that render themselves to statistical analysis (Christensen, Johnson, & Turner, 2015; Sekaran & Bougie, 2016). Positivism allowed the researcher to be independent of the research with minimal interaction with the participants and hence, maintained the research as objective, consistent and logical (Saunders, Lewis, & Thornhill, 2016). Positivism was preferred for this study as it supported the development and testing of the hypothesis (Cooper & Schindler, 2014). Further, it is concerned with rigor, replicability of research, the reliability of observations and the ability to generalize the findings (Sekaran & Bougie, 2016). This enabled the translation of the independent variable of self-leadership into a testable hypothesis in measurable form as well as analysis of data, comparison of findings and drawing of conclusions that contribute to the body of knowledge.

This study adopted the descriptive correlational research design. This enabled the observation of study variables without attempting to control them by recording events as they occurred (Saunders et al., 2016). The use of descriptive research which is structured enabled the understanding, as well as the provision of accurate and valid representation of study variables (Cooper & Schindler, 2014). The descriptive correlation design was used for this study as it aided in establishing the existence of relationships and the extent of change between self-leadership as the independent variable on organizational performance as the dependent variable (Kumar, 2018). The study analyzed the extent of the association and relationship between self-leadership and organizational performance variables in the study (Saunders et al., 2016). This study was a cross-sectional study as data was collected at a point in time.

This study focused on the 56 licensed insurance companies in Kenya (IRA, 2020). The target population is derived from annual financial reports and management information from respective insurance company websites. This study adopted the census method for the purpose of collecting data from the population which consisted of 311 senior and middle-level managers in the insurance industry.

The data collection method refers to the systematic mode of information collected about a study object in its setting (Sekaran & Bougie, 2016). Data collection methods that are popular in business research include interviews, observation and questionnaires as they allow the researcher to collect a wide variety of different sorts of data from respondents. This study utilized primary data where a structured questionnaire was used to collect the data. The questionnaire was based on a five-point Likert scale which aided in determining attitude, values, behavior and perception (Upagade & Shende, 2012).

A reliability test was done in this study to evaluate the goodness measure that deals with the accuracy and precision of a measurement instrument in estimating the degree to which a measurement is free from random or unstable error (Cooper & Schindler, 2014). This study measured the reliability of the research instruments using Cronbach’s alpha and accepted values of 0.7 and above to denote an acceptable level of reliability as a rule of thumb (Bryman & Bell, 2015).

Validity is the extent to which a test measures the researcher’s intent using either internal validity or external validity (Creswell & Creswell, 2017). Internal validity was tested using
content validity. This was through the face method and by getting feedback from the respondents during the pilot study on the flow of the questions, understanding and comprehension. Construct validity in this study was tested using factor analysis. According to Mugenda and Mugenda (2003), factor analysis is used to reduce a set of correlated variables into a smaller number of unnoticed and uncorrelated aspects. Cooper and Schindler (2014) state that factor analysis is run to test whether all items are interrelated or whether there are subsets of some that are more closely related. Self-leadership was measured using 10 items that were factor analyzed in order to derive an appropriate measure. The KMO and Bartlett’s test results presented in Table 4.19 show that the KMO for self-leadership had a value of 0.892 and Bartlett’s test, \( x^2 (45, N = 239) = 708.24, p < .001 \). Given that the KMO measure is greater than 0.5 and Bartlett’s test is significant, the results imply that the sampling for self-leadership is adequate.

Assumptions have a great impact on regression analysis as violations may result in biased estimates of relationships (Ghasemi & Zahadiasl, 2012). To test normality, this study adopted the skewness test which is a measure of a distribution’s deviation from symmetry, and kurtosis which is a measure of a distribution’s peakedness (Cooper & Schindler, 2014). A skewness value between -2 to 0 indicates that there is no excessive skewness in the data. If the Kurtosis values are between -1 to +2, it would indicate a lack of excessive skewness in the data. A linearity test was used to check the existence of a linear relationship between study variables using p-values that depict deviations from linearity (Garson, 2012). If the significant deviation from linearity is greater than 0.05, then the relationship between the independent and dependent variable is viewed as linear, while if it is less than 0.05, then the relationship is not linear. Multicollinearity was identified through the tolerance value and the Variance Inflation Factor (VIF). VIF was used in this study with a cutoff tolerance value of 0.10 or VIF of 10. Homoscedasticity was evaluated using the Levene statistic to evaluate the homogeneity of variance between the study variables using the significance value of \( p \leq .05 \) (Garson, 2012).

Data analysis enabled the collected data to be analyzed to answer the research question using descriptive and inferential statistics which are the major categories of statistical procedures (Sekaran & Bougie, 2016). According to Cooper and Schindler (2014), descriptive statistics are a group of statistical methods used to describe basic data features and provide simple summaries of the sample and the measures. The descriptive statistics in this study included frequencies, means and standard deviations. Inferential statistics provide statistical evidence that is used in drawing conclusions or making inferences about a population from the sample (Sekaran & Bougie, 2016). The inferential statistics in this study included factor analysis, correlation analysis, chi-square, ANOVA and bivariate regression analysis.

**Findings**
The study collected data from 311 top and middle-level managers in the licensed insurance companies in Kenya. The study used 239 completed questionnaires that were considered valid in this study, which translates to a response rate of 77% as 60 questionnaires were not returned and 12 were incomplete.

**Descriptive Statistics**
The mean and standard deviation results for self-leadership are presented in Table 1. The results showed that leaders in the company are able to withstand pressure and regulate emotions in handling different situations (\( M = 4.08, SD = 1.11 \)); leaders in the company are able to influence employees’ feelings about issues (\( M = 4.03, SD = 1.15 \)); leaders engage employees frequently and honestly on the state of the company’s performance (\( M = 4.05, SD = 1.02 \)); leaders in the
company use internal communication to inform on the business strategy, policies, procedures and to assign tasks \( (M = 4.00, SD = 1.22) \); leaders discuss individual performance with employees in the company \( (M = 3.94, SD = 1.11) \); leaders encourage dialogue and interpersonal communication in the company \( (M = 3.92, SD = 1.15) \); the channels of communication are open and well-defined between leaders and employees \( (M = 4.09, SD = 1.11) \); the company employs people from different diversity groups \( (M = 4.07, SD = 1.17) \); diversity of opinions is encouraged in our company \( (M = 4.03, SD = 1.14) \); and equal opportunities are given to all employees in the company \( (M = 4.02, SD = 1.13) \).

### Table 1: Descriptive Statistics for Self-Leadership

<table>
<thead>
<tr>
<th>Self-leadership Constructs</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaders in the company are able to withstand pressure and regulate emotions in handling different situations</td>
<td>239</td>
<td>4.08</td>
<td>1.11</td>
</tr>
<tr>
<td>Leaders in the company are able to influence employees’ feelings about issues</td>
<td>239</td>
<td>4.03</td>
<td>1.15</td>
</tr>
<tr>
<td>Leaders engage employees frequently and honestly on the state of the company’s performance</td>
<td>239</td>
<td>4.05</td>
<td>1.02</td>
</tr>
<tr>
<td>Leaders in the company use internal communication to inform on the business strategy, policies, procedures and to assign tasks</td>
<td>239</td>
<td>4.00</td>
<td>1.22</td>
</tr>
<tr>
<td>Leaders discuss individual performance with employees in the company</td>
<td>239</td>
<td>3.94</td>
<td>1.11</td>
</tr>
<tr>
<td>Leaders encourage dialogue and interpersonal communication in the company</td>
<td>239</td>
<td>3.92</td>
<td>1.15</td>
</tr>
<tr>
<td>The channels of communication are open and well-defined between leaders and employees</td>
<td>239</td>
<td>4.09</td>
<td>1.11</td>
</tr>
<tr>
<td>The company employs people from different diversity groups</td>
<td>239</td>
<td>4.07</td>
<td>1.17</td>
</tr>
<tr>
<td>Diversity of opinions is encouraged in our company</td>
<td>239</td>
<td>4.03</td>
<td>1.14</td>
</tr>
<tr>
<td>Equal opportunities are given to all employees in the company</td>
<td>239</td>
<td>4.02</td>
<td>1.13</td>
</tr>
</tbody>
</table>

### Factor Analysis for Self-leadership

Factor analysis was used to assess the variability among observed and correlated variables. Self-leadership was measured using 10 items that were factor analyzed in order to derive an appropriate measure. The KMO and Bartlett’s test results presented in Table 2 show that the KMO for self-leadership had a value of 0.892 and Bartlett’s test, \( x^2 (45, N = 239) = 708.24, p < .001 \). Given that the KMO measure is greater than 0.5 and Bartlett’s test is significant, the results imply that the sampling for self-leadership is adequate.

### Table 2: KMO and Bartlett’s Test for Self-Leadership

<table>
<thead>
<tr>
<th>KMO and Bartlett's Test</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</td>
<td>0.892</td>
<td></td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td></td>
<td>708.24</td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
<td></td>
<td>45</td>
</tr>
<tr>
<td>Sig.</td>
<td></td>
<td>0.000</td>
</tr>
</tbody>
</table>

### Correlation Between Self-leadership and Organizational Performance

The study sought to examine the correlation between the self-leadership index and organizational performance with the results presented in Table 3. The study found that self-leadership and the organizational performance had a positive and significant correlation, \( r \)
(239) = 0.518, p < .001. This implies a strong correlation between the variables where organizational performance increases in a positive direction as self-leadership increases.

### Table 3: Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>Self-leadership Index</th>
<th>Organizational Index</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-leadership</td>
<td>Pearson Correlation</td>
<td>.518**</td>
<td></td>
</tr>
<tr>
<td>Index</td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>239</td>
<td>239</td>
</tr>
</tbody>
</table>

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

### Regression Analysis and Hypothesis Testing on Self-leadership

The researcher carried out regression analysis to assess the relationship between study variables. Bivariate regression analysis was used to evaluate whether the independent variable explains the dependent variable. The study used a bivariate regression model to establish the influence of self-leadership on organizational performance of insurance companies in Kenya. The hypothesis tested was:

\[ H_0: \text{Self-leadership does not have a significant influence on the organizational performance of insurance companies in Kenya.} \]

The bivariate regression results for self-leadership are presented in the form of model summary, regression ANOVA and regression coefficient.

### Regression Model Summary for Self-leadership

The model summary results for self-leadership presented in Table 4.30 shows an \( R^2 = .268 \) which implied that self-leadership explained 26.8% of the variation in organizational performance of insurance firms in Kenya. This means that 73.2% of the variability is explained by variables not included in this research.

### Table 4: Model Summary for Self-leadership

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.518a</td>
<td>.268</td>
<td>.265</td>
<td>0.80834</td>
</tr>
</tbody>
</table>

a Predictors: (Constant), Self-Leadership Index

### Regression ANOVA for Self-leadership

The results of the regression ANOVA for self-leadership presented in Table 4 found the significance of self-leadership was \( F (1, 237) = 86.901, p < .001 \). Therefore, the model is statistically significant in predicting the relationship between self-leadership and organizational performance.

### Table 5: Regression ANOVA for Self-Leadership

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>56.781</td>
<td>1</td>
<td>56.781</td>
<td>86.901</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>154.857</td>
<td>237</td>
<td>0.653</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>211.639</td>
<td>238</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a Dependent Variable: Organizational Performance Index

b Predictors: (Constant), Self-Leadership Index
Regression Coefficient for Self-leadership

The results of the regression coefficient for self-leadership are presented in Table 6. The study found that self-leadership had a coefficient $\beta = 0.657$, $t (239) = 9.322$, $p < .001$ which is less than that set by the study of $p < .05$. The study therefore rejected the null hypothesis and concluded that self-leadership positively and significantly influences organizational performance in insurance companies in Kenya.

### Table 6: Regression Coefficient for Self-Leadership

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.271</td>
<td>0.288</td>
</tr>
<tr>
<td></td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>Self-Leadership Index</td>
<td>0.657</td>
<td>0.07</td>
</tr>
<tr>
<td></td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td></td>
<td>0.07</td>
<td>0.518</td>
</tr>
<tr>
<td></td>
<td>t</td>
<td>9.322</td>
</tr>
<tr>
<td></td>
<td>Sig.</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The findings of the study derived a bivariate regression model for self-leadership and organizational performance as follows:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

Where:

- $Y$ = is organizational performance
- $\beta_0$ = is the coefficient
- $X_1$ = self-leadership

The model therefore becomes:

$$Y = 1.271 + 0.657X_1 + \epsilon$$

The model implies that as self-leadership increases, it leads to an increase of 0.657 in organizational performance in insurance companies in Kenya.

**Discussion**

The study sought to establish the influence of self-leadership on the organizational performance of insurance companies in Kenya. In this study, self-leadership was studied using the sub-constructs of emotional intelligence, communication and workplace diversity. The results of the correlation analysis revealed that self-leadership was positively and significantly related to organizational performance. The study found a positive and significant association between self-leadership and organizational performance. The study concluded that self-leadership significantly influenced organizational performance. This finding supports several other studies. Marques-Quinteiro et al. (2019) found that self-leadership is positively related to employee adaptive performance and job satisfaction. Inam, Ho, Sheikh, Shafqat and Najam (2021) found elevated results in employee work engagement, commitment and work performance in the presence of self-leadership in a study carried out in Pakistan, Mustriwati et al. (2021) whose results showed that self-leadership and organizational commitment simultaneously and significantly affected the performance.
With regard to emotional intelligence as a dimension of self-leadership, this study supports both Agarwal and Singh (2020) in UAE and Wangari et al. (2019) in Kenya who found that emotional intelligence significantly affects performance. The study findings align with Zia-ur-Rehman and Zia (2020) who found that emotional intelligence competencies had a significant impact on corporate leadership and ultimately organizational performance. The findings also supported the study by Pradhan et al. (2017) which found that executives with a high level of emotional intelligence have a strong relationship between organizational learning and adaptive performance as opposed to those with low levels of emotional intelligence. This study is in line with Rezvani et al. (2019) who found that team emotional intelligence is positively related to team performance in a study done in Australia.

The study finding that communication contributes implicitly to the overall organizational performance support the results by Dermol and Širca (2018) in Slovenia who found positive connections between communication and the existence of company mission and organizational values on non-financial aspects of company performance. The finding also concurs with the results of a study by Arab and Muneeb (2019) that found that the flow of communication has a significant positive effect on performance, effective communication has a significant effect on performance, and, barriers to communication have a significant effect on performance. The finding is in line with the study done by Kahunyo and Waithaka (2019) that found that communication as a change management variable had a positive effect on organizational performance with a unit of change in communication leading to 0.901 units of improvement in organizational performance.

Workforce diversity as a dimension of self-leadership was found to have a positive and significant relationship with performance in a study by Farmanesh et al. (2020) which is supported by this study’s finding. The study confirms observations by Mazibuko and Govender (2017) that managing and valuing diversity are significantly related to performance in regard to a diverse workforce, individual differences and confusion conflict management. Mazibuko and Govender (2017) found that promoting diversity is significantly related to performance improvement in regards to driving transformation, increased previously disadvantaged individuals as well as cultural diversity and gender sensitivity. This study’s finding corroborates that of Mugwe and Mose (2020) who observed that diversity management had a positive and significant relationship with organizational performance. The study is also aligned with Kundu et al. (2019) who found that diversity-focused human resource practices had a positive association with perceived firm performance. This study observation is in line with Kerga and Asefa (2018) who revealed that workforce diversity using age, gender, ethnicity, education, work experience and marital status has a high positive correlation with employee performance. The study concurs with the findings by Kundu and Mor (2017) who found that the perception of promotion of gender diversity was significantly related to perceived organizational performance. This study finding refutes that of Showkat and Misra (2021) who found no significant relationship between diversity management and organizational performance as well as that of Moon and Christensen (2020) who found that gender and age diversity are not significantly related to organizational performance.

Conclusion
The study established that self-leadership had a statistically significant influence on organizational performance. Thus, the study rejected the null hypothesis that self-leadership has no significant influence on the organizational performance of insurance companies in Kenya. This study, therefore, concluded that leaders in insurance companies should apply self-
leadership aspects including emotional intelligence, communication and workplace diversity in order to impact organizational performance. The study established that self-leadership significantly influenced the organizational performance of insurance companies in Kenya.

The study, therefore, recommends that leaders should demonstrate self-leadership through its dimensions of emotional intelligence, communication and workforce diversity to influence organizational performance. Emotional intelligence will lead to enhanced organizational commitment and hence tangible and intangible organizational performance. Communicating vertically and horizontally will build relationships as well as develop an innovative and optimal business climate arising from social relations. Managing diversity can lead to greater work productivity as well as influence innovation in products, services and business solutions.

The finding of this study contributes to the body of knowledge as well as in regard to adaptive leadership and its dimensions as one of the contemporary leadership styles.

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